Red Herring Prospectus
Dated: September 6, 2011
Please read section 60B of the Companies Act, 1956
100% Book Built Issue

PRAKASH CONSTROWELL LIMITED

(Our Company was incorporated as "Prakash Constrowell Private Limited" under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated January 4, 1996 bearing Registration No. 11-95941. Our Company was converted into a public limited company vide a fresh Certificate of Incorporation dated January 5, 2011 and consequently the name of our Company was changed to "Prakash Constrowell Limited". The Corporate Identification Number of our Company is U45200MH1996PLC095941).

Registered Office: 6/7 Falcon Plaza, National Urdu High School Road, Near Sarda Circle, Nasik – 422001, Maharashtra, India.
Tel No.: +91 253 2590725; **Fax No.:** +91 253 2597720; **E-mail:** info@pclnsk.com; **Website:** www.pclnsk.com
Contact Person: Mr. Vipul Dileep Lathi, Compliance Officer
Promoters of our Company: Mr. Prakash P. Laddha and Mrs. Aruna P. Laddha

THE ISSUE

PUBLIC ISSUE OF [●] EQUITY SHARES OF ₹ 10 EACH OF PRAKASH CONSTROWELL LIMITED ("PCL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING TO ₹ 6,000 LAKHS (THE "ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF THE FULLY DILUTED POST ISSUE PAID UP CAPITAL OF THE COMPANY.

THE FACE VALUE OF EACH EQUITY SHARE IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ADVERTISED AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.

THE FACE VALUE OF EQUITY SHARES IS ₹10. THE FLOOR PRICE IS [●]TIMES OF THE FACE VALUE AND THE CAP PRICE IS[●]TIMES OF THE FACE VALUE.

In case of revision in the Price Band, the Bidding / Issue Period shall be extended for three additional working days after such revision, subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding / Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE")and the National Stock Exchange ("NSE"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Manager and the terminals of the member(s) of the Syndicate.The Issue is being made under sub-regulation (1) of Regulation 26 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and through the 100% Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be available for Allocation on a proportionate basis to Mutual Funds only and the remaining QIB portion shall be available for allocation to the QIB bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.All non retail Bidders shall participate in this Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account, which will be blocked by the Self Certified Syndicate Bank ("SCSB") for the sale. Retail Bidders participating in the Issue may utilize the ASBA process to submit their Bids. For details see section titled "Issue Procedure" on page 287of the Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares is ₹10/- and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the higher end of the Price Band. The Issue Price (has been determined and justified by our Company, in consultation with the Book Running Lead Manager as stated in chapter titled "Basis for Issue Price" beginning on page 77 of the Red Herring Prospectus) should not be taken to be indicative of the market price of our Equity Shares after our Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page14 of the Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in the Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company are proposed to be listed on the Bombay Stock Exchange Limited (**BSE**) and National Stock Exchange (**NSE**). We have received in-principle approval from each of the BSE and NSE pursuant to letters dated June 20, 2011 and June 16, 2011respectively for the listing of our Equity Shares. BSE shall be the Designated Stock Exchange for this Issue.

IPO GRADING

The Issue has been graded by CARE as"CARE IPO Grade 2" indicating below average fundamentals vide its letter dated August 22, 2011. For details, see the section titled "General Information" on page 49 of the Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THIS ISSUE
INTENSIVE FISCAL SERVICES PRIVATE LIMITED 131, C-Wing, Mittal Tower, 13th Floor, Nariman Point, Mumbai - 400 021. India **Tel. No.:** +91 22 22870443/44/45 **Fax No.:** +91 22 22870446 **Investor Grievance ID:**pclipo@intensivefiscal.com **Website:** www.intensivefiscal.com **Contact Person:** Mr. Krishna G. Jhawar / Mr. Kevin A. Koradia **SEBI Registration Number:** INM000011112	**BIGSHARE SERVICES PRIVATE LIMITED** E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri(E), Mumbai - 400 072. **Tel No.:** +91 22 40430200 **Fax No.:** +91 22 2847 5207 **E-mail:**ipo@bigshareonline.com **Website:** www.bigshareonline.com **Contact Person:**Mr. Babu Raphael **SEBI Registration Number**: INR000001385

ISSUE PROGRAMME	
BID/ISSUE OPENS ON SEPTEMBER 19, 2011 FOR ALL BIDDERS	**BID/ISSUE CLOSES ON SEPTEMBER 21, 2011 FOR QIB BIDDERS**
	BID/ISSUE CLOSES ON SEPTEMBER 21, 2011 FOR NON INSTITUTIONAL AND RETAIL INDIVIDUAL BIDDERS

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

In the Red Herring Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

Company Related Terms:-

Term	Description
"Prakash Constrowell Limited", "the Company", "our Company", "PCL", "the Issuer" and "the Issuer Company"	Prakash Constrowell Limited, a public limited company incorporated under the provisions of the Companies Act, 1956.
"We", "us" or "our"	Unless the context otherwise require, refers to Prakash Constrowell Limited, a public limited company incorporated under the Companies Act, 1956; together with its Subsidiaries.
Articles or Articles of Association or AoA	The articles of association of our Company, as amended from time to time.
"Board", "Board of Directors" or "our Board"	The board of directors of our Company, as duly constituted from time to time.
Bankers to our Company	Axis Bank Limited, Bank of Maharashtra, State Bank of Hyderabad
Class	Class 36 refers to "Insurance; financial affairs; monetary affairs; real estate affairs"; Class 37 refers to "Building construction; repair; installation services"; Class 42 "Providing of food and drink; temporary accommodation; medical, hygienic and beauty care; veterinary and agricultural services; legal services; scientific and industrial research; computer programming; services that cannot be placed in other classes"
Director(s)	The director(s) of our Company.
Equity Shares	Equity Shares of our Company of face value of `10 each unless otherwise specified in the context thereof.
HUF	Hindu Undivided Family
Memorandum, our Memorandum or Memorandum of Association or MOA	The memorandum of association of our Company, as amended from time to time.
Peer Reviewed Auditor	The peer review certified auditor of our Company, being Anil R. Bora & Co., Chartered Accountants
"Promoters" or "our Promoters"	Mr. Prakash P. Laddha and Mrs. Aruna P. Laddha
Promoter Group Entity, Group Entities or our Group Entities	Q Fab Cements Private Limited, Perfect Aggregates Private Limited, Atal Buildcon Private Limited, Vastu-krupa Construction Private Limited, Prakash Laddha (HUF)
Promoter Group	The persons consisting our Promoter pursuant to Regulation 2(1)(zb) of SEBI (ICDR) Regulations.
Registered Office or Corporate Office of our Company	6/7, Falcon Plaza, National Urdu High School Road, Near Sarda Circle, Nasik – 422 001, Maharashtra, India.
RoC or Registrar of Companies, Mumbai	The Registrar of Companies located at Everest Building, 100, Marine Drive, Mumbai – 400 002, Maharashtra, India.
Statutory Auditor	The statutory auditor of our Company, being Bedmutha & Associates, Chartered Accountants.
"Subsidiary(ies)" or "our Subsidiary(ies)"	The subsidiaries of our Company, as described in the chapter titled "*History and Certain Corporate Matters"* starting on page 146 of the Red Herring Prospectus; that is; Atal Buildwell Private Limited, Punamraj Construwell Private Limited, Mohini Buildcon Private Limited, Ram Buildwel Private Limited.
ABPL	Atal Buildwell Private Limited
PNPL	Punamraj Construwell Private Limited

Term	Description
MBPL	Mohini Buildcon Private Limited
RBPL	Ram Buildwel Private Limited

Issue Related Terms:-

Terms	Description
Allot / Allotment / Allotment of Equity Shares	Unless the context otherwise requires, allotment of Equity Shares pursuant to this Issue.
Allocate / Allocation / Allocation of Equity Shares	Unless the context otherwise requires, allocation of Equity Shares pursuant to this Issue.
Allottee	The successful bidder to whom the Equity Shares are being / have been issued.
Application Supported by Blocked Amount / ASBA	An application for subscribing to an issue containing an authorization to block the application money in a bank account.
ASBA Account	An account maintained by ASBA bidder with an SCSB, which will be blocked to the extent of the bid amount.
ASBA Investors/ Bidder	Any Bidder who/which intends to apply through ASBA and is applying through blocking of funds in a bank account with an SCSB.
ASBA Bid-cum-Application Form / ASBA / ASBA Form	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus.
ASBA Revision Form	The forms used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Forms (if submitted in physical form).
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the chapter entitled *"Issue Procedure – Basis of Allotment"* on page 315 of the Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder (other than an ASBA Bidder), pursuant to submission of a Bid cum Application Form to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto. For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period, pursuant to the submission of an ASBA Bid cum Application Form to subscribe to the Equity Shares of our Company.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid for this Issue.
Bid/ Issue Closing Date	The date after which the members of the Syndicate will not accept any Bids for this Issue, which shall be notified in a widely circulated English national newspaper, Hindi national newspaper and a regional language newspaper.
Bid/ Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for this Issue, which shall be the date notified in a widely circulated English national newspaper, Hindi national newspaper and a regional language newspaper.
Bid-cum-Application Form	The form in terms of which the Bidder (including the format of such application form used by the ASBA Bidder that can be either physical or electronic) shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for allotment in terms of the Red Herring Prospectus and Prospectus. Unless the context otherwise states in the Red Herring Prospectus, Bid-cum-Application Form includes ASBA Form.
Bidder	Any prospective investor who makes a Bid pursuant to the terms

Terms	Description
	of the Red Herring Prospectus and the Bid-cum-Application Form, including the ASBA Bidders.
Bidding Centre	A centre for acceptance of Bid-cum-Application Form
Bidding / Issue Period	The period between the Bid / Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process / Book Building	Book building mechanism as provided under Schedule XI of the SEBI (ICDR) Regulations, in terms of which this Issue is made.
BRLM / Book Running Lead Manager	The Book Running Lead Manager, for the Issue being Intensive Fiscal Services Private Limited.
BRLM Agreement	The Agreement entered into our Company and BRLM pursuant to which certain arrangements are agreed in relation to the Issue.
Cap Price	The upper end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue made by the ASBA Bidders with the BRLM, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in
Cut-Off / Cut-Off Price	The Issue Price finalized by our Company in consultation with the BRLM and it shall be any price within the Price Band. Only Retail Individual Bidders whose Bid Amount does not exceed `2,00,000 are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Depository Act	The Depositories Act, 1996, as amended from time to time.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form from the ASBA Bidders and a list of which is available on www.sebi.gov.in.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders.
Designated Stock Exchange	Bombay Stock Exchange Limited (BSE) is the designated stock exchange for the purpose of this Issue.
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and size of this Issue.
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue.
Escrow Account(s)	Account(s) opened with Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into amongst our Company, the Registrar to this Issue, the Escrow Collection Banks, the Syndicate Member(s) and the BRLM in relation to the collection of the Bid Amounts and dispatch of the refunds (excluding the ASBA Bidders) of the amounts collected, to the Bidders.
Escrow Collection Bank(s) / Banker(s) to this Issue	The bank(s), which are clearing members and are registered with SEBI as Banker (s) to the Issue at which the Escrow Account for the Issue will be opened, in this case being Axis Bank Ltd., ICICI Bank Ltd. and Indusind Bank Ltd.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application

Terms	Description
	Form or the ASBA Bid cum Application Form or Revision Form or ASBA Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
Indian GAAP	Generally Accepted Accounting Principles in India.
IPO	Initial Public Offering
IPO Grading Agency	Credit Analysis & Research Limited (CARE), the credit rating agency appointed by our Company, in consultation with the Book Running Lead Manager for grading this Issue.
Issue	Public Issue of [●] Equity Shares of `10 each for cash at a price of ` [●] per Equity Share (including a share premium of ` [●] per Equity Share) aggregating to `6,000 lakhs, comprising of a fresh issue of [●] Equity Shares by Prakash Constrowell Limited. The Issue will constitute [●] % of the post-issue paid-up capital of the Company.
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company, in consultation with the BRLM on the Pricing Date.
Issue Proceeds, Proceeds from the Issue	Proceeds to be raised by our Company through this Issue
Margin Amount	The Bid Amount paid by the Bidder at the time of submission of the Bid or blocked in the ASBA.
Mutual Funds	Means mutual funds registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	Upto 5% of the QIB portion, being [●] Equity Shares, that shall be available for allocation on proportionate basis to Mutual Funds only and the remainder of the QIB portion shall be available for allocation on a proportionate basis to all QIB bidders, including Mutual Funds.
Net Issue	The Issue of Equity Shares i.e. [●] Equity Shares of `10 each.
Non Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ` 200,000.
Non Institutional Portion	The portion of this Issue being not less than 15% of the Net Issue consisting of [●] Equity Shares, available for allocation to Non Institutional Bidders.
Overseas Corporate Body / OCB	OCB/Overseas Corporate Body Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Price Band	The price band of a minimum price ("Floor Price") of ` [●] and the maximum price ("Cap Price") of ` [●] and includes revisions thereof, if any.
Pricing Date	The date on which our Company, in consultation with the BRLM finalises the Issue Price.
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of the Companies Act containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of this Issue and certain other information.
Public Issue Account	The bank account opened under Section 73 of the Companies Act

Terms	Description
	with the Banker to the Offer to receive money from the Escrow Accounts on the Designated Date and where the funds transferred by the SCSBs from the ASBA Accounts shall be received.
Qualified Institutional Buyers / QIBs	A mutual fund, venture capital fund and foreign venture capital investor registered with the Board; a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; a public financial institution as defined in section 4A of the Companies Act, 1956; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ` 2,500 lakhs; a pension fund with minimum corpus of ` 2,500 lakhs; National Investment Fund set up by resolution no. F. No. 2/3/2005DDII dated November 23, 2005 of the Government of India published in the Gazette of India;insurance funds set up and managed by army, navy or air force of the Union of India and insurance fund set up and managed by Department of Posts, India.
QIB Portion	Consists of [●] Equity Shares being upto 50% of the Net Issue, available for allocation to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only.
QIP	Qualified Institutional Placement
Red Herring Prospectus / RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Offer. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the opening of the Issue and will become a Prospectus after filing with the RoC after the pricing and allocation.
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, (excluding to the ASBA Bidders) shall be made.
Refund Bankers	The bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being Axis Bank Limited.
Refunds through electronic transfer of funds	Refunds through NECS, NEFT or Direct Credit, or the ASBA process, as applicable.
Registrar/ Registrar to this Issue	Bigshare Services Private Limited.
Retail Individual Bidders	Individual Bidders (including HUFs in the name of Karta, minors through their natural guardian, ASBA Bidders and Eligible NRIs) who have Bid for an amount less than or equal to ` 2,00,000 in any of the bidding options in this Issue.
Retail Portion	Consists of [●] Equity Shares being not less than 35% of the Net Issue, available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid price in any of their Bid-cum-Application Forms or any previous Revision Form(s).
Self Certified Syndicate Bank / SCSB / SCSBs	The Banks which are registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in, or such other website as may be prescribed from time to time.
SCSB Agreement	The deemed agreement to be entered into between the SCSBs, the BRLM, the Registrar to the Issue and our Company only in relation to the collection of Bids from the ASBA Bidders and payment of funds by the SCSBs to the Public Issue Account.
Stock Exchanges	Bombay Stock Exchange Limited and National Stock Exchange of

Terms	Description
	India Limited
Stock Exchange(s)	BSE and/ or NSE as the context may refer to
Syndicate	The BRLM and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into between our Company and the members of the Syndicate, in relation to the collection of Bids in this Issue (excluding Bids from ASBA Bidders).
Syndicate Member(s) / Member(s) of Syndicate	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Members are appointed by the BRLM and in this case, being Intensive Fiscal Services Private Limited.
Transaction Registration Slip/ TRS	The slip or document issued by the Syndicate Members or the SCSBs upon demand as the case may be; to the Bidders as proof of registration of the Bid.
Underwriters	The BRLM and the Syndicate Member(s).
Underwriting Agreement	The Agreement between the Underwriters to the Issue and our Company to be entered into on or after the Pricing Date.
Working Days / Business Days	All days other than Sunday or a public holiday (except in relation to the Bid/ Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in Mumbai are open for business.

Industry Related Terms:-

Terms	Description
BARC	Bhabha Atomic Research Centre
BG	Bank Guarantee
BOOT	Build, Own, Operate and Transfer
BOM	Bill of Materials
BOQ	Bill of Quantities
BOT	Build, Operate and Transfer
BOOT	Built, Operate, Own, Transfer
BOLT	Built, Operate, Lease, Transfer
CAR	Contractor's All Risk Policy
CIDCO	City and Industrial Development Corporation of Maharashtra Ltd.
Construction Equipment(s)	Equipment(s) required by our Company to undertake any construction project
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
CPWD	Central Public Works Department
CTS	City Survey
DBFO	Design Build Finance Operate
EMD	Earnest Money Deposit
EPC	Engineering, Procurement & Commissioning
FICCI	Federation of Indian Chamber of Commerce and Industry
F&B	Food and Beverage
I.O.C.	Indian Oil Corporation
I.T.I.	Industrial Training Institute
MABG	Mobilization Advance Bank Guarantee
MHADA	Maharashtra Housing and Area Development Authority
MSEDCL	Maharashtra State Electricity Distribution Company Ltd.
MSPGCL	Maharashtra State Power Generation Company, Ltd.
MSPHWC	Maharashtra State Police Housing & Welfare Corporation
MSRTC	Maharashtra State Road Transport Corporation
NBCC	National Building Construction Corporation
NGO	Non-government Organisation
NH	National Highway
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
Order Book	Expected revenues from the uncompleted portions of our existing

Terms	Description
	contracts as of a certain date
O&M Contracts	Operations and Maintenance Contracts
PSU	Public Sector Undertaking
PTC	Police Training Centre
PTS	Police Training School
PWD	Public Works Department
PPP	Public Private Partnership
RCC	Reinforced Cement Concrete
RMC	Ready Mix Concrete
RFP	Request for Proposal
RFQ	Request for Qualification
SH	State Highways
S.P.	Superintendent of Police
SRP	State Roads Project
S.R.P.F.	State Reserve Police Force
SPV	Special Purpose Vehicle

Conventional Terms / General Terms / Abbreviations:-

Terms	Description
A/c	Account
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year; the period of twelve months commencing from the first day of April every year
Bn	Billion
BPLR	Basic Prime Lending Rate
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CARE	Credit Analysis and Research Limited
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CIT (A)	Commissioner of Income Tax (Appeals)
Companies Act	The Companies Act, 1956
CRISIL	Credit Rating Information Services of India Limited
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP	Depository Participant
DRHP	Draft Red Herring Prospectus
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation
ECB	External Commercial Borrowing
EOGM	Extraordinary General Meeting of the shareholders
EPS	Earnings Per Share
ESI Act	Employees' State Insurance Act
ESIC	Employees' State Insurance Corporation
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder, as amended.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as

Terms	Description
	amended.
FI(s)	Financial Institution(s)
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIPB	Foreign Investment Promotion Board
F.Y. / FY	Financial Year
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	Government of India
IFRS	International Financial Reporting Standards
IP	Intellectual Property
IRDA	Insurance Regulatory and Development Authority
ISO	International Organization for Standardization
IT	Information Technology
I. T. Act	The Income Tax Act, 1961, as amended from time to time
I. T. Rules	The Income Tax Rules, 1962, as amended from time to time
JV	Joint Venture
LC	Letter of Credit
LOI	Letter of Intent
Ltd.	Limited
MD	Managing Director
Mn	Million
MOU	Memorandum of Understanding
N.A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident (External) Account
NRO Account	Non-Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
P.A./ p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price/Earnings Ratio
QIB	Qualified Institutional Buyer
R&D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RHP	Red Herring Prospectus
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rupees / Rs. / INR / `	Indian Rupees, the legal currency of the Republic of India
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from

Terms	Description
	time to time.
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (ICDR) Regulations, SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1995, as amended from time to time
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended.
Sq. ft.	Square feet
sq. mtrs.	Square meters
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover Regulations), 1997, as amended from time to time.
TDS	Tax Deducted at Source
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time.
UoI	Union of India
USD / US$	United States Dollar
U.S. GAAP	Generally accepted accounting principles in the United States of America.
U.S. / US / U.S.A	The United States of America.
VAT	Value added tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the VCF Regulations.
VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended.
YoY / yoy / y-o-y	Year on Year

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to "India" are to the Republic of India and all references to the "Government" are to the Government of India.

Financial data

Unless stated otherwise, the financial data which are included in the Red Herring Prospectus are derived from the restated audited consolidated and standalone financial statements of the Company, prepared in accordance with Indian GAAP and the SEBI (ICDR) Regulations.

The fiscal year of the Company commences on April 1 of each year and ends on March 31 of the next year. All references to a particular fiscal year are to the 12 month period ended March 31 of that year. In the Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly to what extent, the financial statements included in the Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in "*Risk Factors*", "*Business Overview*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and elsewhere in the Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company's restated consolidated and standalone financial statements prepared in accordance with Indian GAAP.

Currency of presentation

In the Red Herring Prospectus, references to "Rupees" or "Rs." or "` "are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

All references to 'million' / 'Million' / 'Mn' refer to one million, which is equivalent to 'ten lacs' or 'ten lakhs', the word 'Lacs / Lakhs / Lac' means 'one hundred thousand' and 'Crore' means 'ten millions' and 'billion / bn. / Billions' means 'one hundred crores'.

Market and industry data

Unless stated otherwise, industry data used throughout the Red Herring Prospectus has been obtained from industry publications including *inter alia* RBI and Ministry of Finance. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry data used in the Red Herring Prospectus is reliable, it has not been verified by any independent source.

Further, the extent to which the market data is presented in the Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

We have included statements in the Red Herring Prospectus which contain words or phrases such as "will", "aim", "is likely to result in", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are "forward-looking statements". Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements.

These forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- The performance of the Indian and Global financial markets;
- Increased competition or other factors affecting the industry segments in which our Company operates;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various financial products;
- Our ability to meet our capital expenditure requirements and/or increase in capital expenditure;;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in technology;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Any adverse outcome in the legal proceedings in which we are involved.
- Market fluctuations and industry dynamics beyond our control;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- Contingent liabilities, environmental problems and uninsured losses; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For further discussion of factors that could cause our actual results to differ, see the section titled *"Risk Factors"* and chapter titled *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 14 and 239 respectively.

The Company and the BRLM are obliged to update the Red Herring Prospectus and, in accordance with SEBI requirements, the Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.

SECTION II – RISK FACTORS

The risks and uncertainties described below, together with the other information contained in the Red Herring Prospectus, should be carefully considered before making an investment decision in our Equity Shares. These risks are not the only ones relevant to our Company and our business, but also include risk relevant to the industry and geographic regions in which we operate. Additional risks, not presently known to us or that we currently deem immaterial may also impair our business and operations. To obtain a complete understanding of our Company and prior to making an investment decision, prospective investors should read this section in conjunction with the chapter titled "Business Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 114 and 239, respectively, as well as the other financial and statistical information contained in the Red Herring Prospectus. If any of the risks described below actually occur, our business prospects, financial condition and results of operations could be materially affected, the trading price of our Equity Shares could decline, and investors could lose all or part of their investment.

Prospective investors should pay particular attention to the fact that we are incorporated under the laws of India and are subject to a legal and regulatory environment that differs in certain respects from that of other countries. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.

Internal Risk Factors

1. Our Company, Promoters, Directors and Promoter Group Companies are involved in certain legal proceedings and claims in relation to certain criminal, civil and tax matters, which are pending at different stages before the Judicial / Statutory authorities. Any rulings by such authorities against our Company, Promoters, Directors and Promoter Group Companies may have an adverse material impact on their operations.

Our Company, Promoters, Directors and Promoter Group Companies thereof are involved in certain legal proceedings and claims in relation to certain civil and tax matters, which are pending at different stages before the Judicial / Statutory authorities a summary of the pending proceedings is set forth below. Any rulings by such authorities against our Company, Promoters, Directors and Promoter Group Companies may have an adverse material impact on their operations:

a. Litigation / Proceedings filed against our Company.

Sr. No.	Nature of case	Numbers of Cases	Amount (to the extent quantifiable) (` In Lakhs)	Page number of RHP for further details
1.	Income Tax	2	199.02	251

b. Litigation / Proceedings filed against our Promoters.

Sr. No.	Nature of case	Numbers of Cases	Amount (to the extent quantifiable) (` In Lakhs)	Page number of RHP for further details
1.	Criminal Litigation - fraud and forgery u/s 420 & 468 of Indian Penal Code	2	99.08	252
2.	Criminal - dishonour of cheque u/s 138 of Negotiable Instrument Act	2	110.25	252
3.	Civil	1	292.00	252

c. ***Litigation / Proceedings against our Directors.***

Sr.	Nature of case	Numbers	Amount (to the extent	Page number of RHP

No.		of Cases	quantifiable) (` In Lakhs)	for further details
1.	Civil	2	Not quantifiable	255
2.	Other	1	Not quantifiable	255

d. *Litigation / Proceedings against our group company, Vastu-krupa Construction (India) Pvt. Ltd.*

Sr. No.	Nature of case	Numbers of Cases	Amount (to the extent quantifiable) (` In Lakhs)	Page number of RHP for further details
1.	Civil	1	759.00	257

e. *Litigation / Proceedings initiated by our Company.*

Sr. No.	Nature of case	Numbers of Cases	Amount (to the extent quantifiable) (` In Lakhs)	Page number of RHP for further details
1.	Value Added Tax (VAT)	1	3.40	251

f. Litigation / Proceedings initiated by our Promoters.

Sr. No.	Nature of case	Numbers of Cases	Amount (to the extent quantifiable) (` In Lakhs)	Page number of RHP for further details
1.	Civil	1	759.00	254
2.	Income Tax	2	71.54	254
3.	Other	1	Not quantifiable	254

g. *Litigation / Proceedings initiated by our Directors.*

Sr. No.	Nature of case	Numbers of Cases	Amount (to the extent quantifiable) (` In Lakhs)	Page number of RHP for further details
1.	Civil	2	31.11	256
2.	Income Tax	2	4.14	256

h. *Litigation / Proceedings initiated by our group company, Vastu-krupa Construction (India) Pvt. Ltd.*

Sr. No.	Nature of case	Numbers of Cases	Amount (to the extent quantifiable) (` In Lakhs)	Page number of RHP for further details
1.	Civil	1	292.00	258
2.	Income Tax	1	3.78	258

For more information regarding litigations, please refer to chapter titled *"Outstanding Litigation and Material Developments"* beginning on page 251 of the Red Herring Prospectus.

2. *Any increase in or enforcement of our contingent liabilities may adversely affect our financial condition.*

Our contingent liability as on March 31, 2011 was ` 690.99 lakhs towards performance guarantees issued by our Banks and Tax Liabilities of ` 175.86 Lakhs.

If this contingent liability materializes, fully or partly, the financial condition of our Company could be materially and adversely affected. For more information, regarding our contingent liabilities, please refer Annexure XII on page 227 of the chapter titled *"Financial Statements"* beginning on page 183 of the Red Herring Prospectus.

3. Our inability to obtain, renew or maintain, or any delay in obtaining, renewing or maintaining, our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business.

We require certain statutory and regulatory permits and approvals for our business. In some states in which we operate, or may operate, activities related to construction of our projects may be subject to the prior granting of environmental licenses or permits or to prior notification. Further, we are required to renew certain of our existing approvals in respect of our current and planned projects. While we believe we will obtain approvals or renewals as may be required, there cannot be any assurance that the relevant authorities will issue any such approvals or renewals in the anticipated time frames or at all. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

For further information, see the chapter titled *"Government and Other Approvals"* beginning on page 260 of the Red Herring Prospectus.

4. The Company is yet to obtain / renew few contract labour registrations.

The Contract Labour (Regulation and Abolition) Act, 1970 (the "CLA") becomes applicable to us as we employ twenty or more contract labourers. As a contractor, we are required to obtain contract labour registrations to provide services to an establishment through contract labour under the provisions of the CLA. For most of our sites, we have applied afresh / applied for renewal of such registrations, which is pending for approval.

The following contract labour registrations are yet to be applied for:

1. Registration under Contract Labour (Regulation and Abolition) Act 1970 for Construction of of M T W H Building with ancillary works in WH Complex, Yeotmal.

2. Registration under Contract Labour (Regulation and Abolition) Act 1970 for Construction of M T W H Building with ancillary works in WH Complex, Aurangabad.

3. Registration under Contract Labour (Regulation and Abolition) Act 1970 for Redevelopment of existing vegetable market at Shukrawar peth Pune on BOT Basis.

4. Registration under Contract Labour (Regulation and Abolition) Act 1970 for Redevelopment of existing vegetable market at Yerwada, Pune on BOT Basis.

5. Registration under Contract Labour (Regulation and Abolition) Act 1970 for Construction of main building of Nursing college at Nanded.

The following contract labour registrations have been applied for and approvals are yet to be received:

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Granted on/ Application Dated	Validity
1	Registration under Contract Labour (Regulation and Abolition) Act, 1970 for Construction of SP Office, Thane	Licensing Officer, Thane	Application under Form IV dated August 19, 2010	August 19, 2010	Approval pending

2.	Registration under Contract Labour (Regulation and Abolition) Act 1970 for Construction of administrative building for C.P. Navi Mumbai	Licensing Officer, Mumbai.	Application under Form IV dated August 20, 2011	August 20 , 2011	Approval pending

For further details, please refer to the chapter titled *"Government and Other Approvals"*, beginning on page 260 of the Red Herring Prospectus.

5. The Company has recently applied for registration under ESI Act.

Presently, we have employees who are drawing salaries less than ` 15,000 per month. All employee engaged by our establishment whose salary is less than ` 15,000 per month would be covered under the provisions of the ESI Act. Once our establishment fall within the purview of the ESI Act, we are supposed to comply with all provisions of the Act. We have applied for such registration on March 28, 2011 so as to comply with the said provisions. Non-compliance of the same could eventually result in penalty being levied on us and prosecution and we may be liable to pay both employers and employee's contribution right from the day the establishment is amenable to the provisions of the act. The total liability which the company may be liable to pay due to non-compliance of ESIC provisions (effective from May, 2010) is estimated at ` 1,62,943 (Employer Contribution ` 1,19,074 & Employees Contribution ` 43,869) along with interest not exceeding 15% p.a. for such delay. The Corporation also has the power to impose damages in accordance with the provisions of Section 85B of the ESI Act for default in compliance of the Act.

6. We have applied for registration of our logo, but do not own the trademark ***legally as on date. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.***

We have applied for registration of our logo under the provisions of the Trademarks Act, 1999 vide application dated March 16, 2011, but do not own the trademark as on date. As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the trademark and the logo or that, third parties will not infringe its intellectual property, causing damage to its business prospects, reputation and goodwill. Further, we cannot assure you that any application for registration of our trademark in the future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property.

7. Seasonality and weather conditions may adversely affect our business.

Our business operations may be materially and adversely affected by severe weather, which may require us to evacuate personnel or curtail services and may result in damage to a portion of our equipment or facilities, resulting in the suspension of operations. In addition, such weather may prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity. Our operations are also adversely affected by difficult working conditions and extremely high temperatures during summer months and during monsoon, which restrict our ability to carry on construction activities and fully utilize our resources. We record revenues

for those stages of a project that we complete, after we receive certification from the client that such stage has been successfully completed. Revenues recorded during the first half of our financial year, between April and September, are traditionally substantially lower compared to revenues recorded during the second half of our financial year, due to the peak summer and monsoon seasons falling in the April to September period. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced.

8. ***For the year ended March 31, 2011 we have derived 65.53 % of our total revenue from a limited number of clients viz. Public Works Department, Maharashtra state, Maharashtra State Police Housing & Welfare Corporation (MSPHWC) and Islampur Integrated Textile Park Private Limited, Sangli. The loss of one or more of our significant customers could adversely affect us.***

We have depended significantly on revenues from a limited number of clients, and may continue to do in the future. In fiscals 2008, 2009, 2010 and 2011, on a stand-alone basis, our Company derived 38.42%, 37.60%, 43.17% and 22.46%, respectively, of its contract revenue from Maharashtra State Public Works Department and 37.58%, 43.87%, 23.53% and 33.22%, respectively, from Maharashtra State Police Housing and Welfare Corporation. Our business is therefore significantly dependent on developing and maintaining relationships, strategic alliances and pre-qualified status with certain major clients and obtaining a share of contracts from such clients. Because these significant customers generally contract with us for specific projects, we may lose these customers from year to year after their projects with us are completed and could be adversely affected by any material adverse effect on their business prospects and results of operations.

Our business and results of operations will be adversely affected if we are unable to develop and maintain a continuing relationship or a pre-qualified status with certain of our key clients and strategic partners or develop and maintain relationships with other clients and partners. The loss of a significant client or a number of significant clients may have a material adverse effect on our business prospects and results of operations.

9. ***Our revenues largely depend on acceptance of the bids submitted to the Government and Government Departments. Our performance could be affected in case majority of the bids are not accepted/awarded to us or we negotiate a lower bid value.***

Our business is substantially dependent on infrastructure projects undertaken by Government authorities/Government departments and other entities funded by the Government. The contracts awarded by state and local Government authorities are tender based. We compete with various infrastructure companies while submitting the tender to Government and other agencies. In case, we are not qualified or are not amongst the lowest bidders, we stand to lose the business. We cannot assure that any of the bids we submit would be accepted/awarded to us; therefore our ability to procure the contracts by bidding at the lowest rates is crucial for our revenues. Further our business and operations may be impacted as a result of change in the state governments, changes in policies impacting the public at large, scaling back of Government Policies or initiatives, changes in Government or external budgetary allocation, or insufficiency of funds, which can adversely affect our business, financial condition and results of operations.

10. ***Our Promoter and Promoter Group may continue to retain majority control in the Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.***

Our Promoter and Promoter Group may beneficially own approximately [●]% of our post-Issue equity share capital. As a result, the Promoter Group may have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the

Company's best interest. In addition, for so long as the Promoter Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

11. The Company has availed unsecured loan which may be demanded for repayment at any time.

As on March 31, 2011 the Company has availed an unsecured loan to the tune of `1.75 lakhs from its Directors, their relatives and outsiders. There is no specific agreement entered into or terms of repayment agreed between the Company and such parties. These unsecured loans may be re-called by the lender at anytime. For further details please refer Annexure IX under chapter titled *"Financial Statements"* on page 183 of the Red Herring Prospectus.

(` In Lakhs)

Name of the party	Unsecured Loan for the Year Ended March 31, 2011	
	Standalone basis	Consolidated basis
Mr. Vijaygopal P. Atal	Nil	1.75
Mr. Pankaj Atal	Nil	5.44
Ditisha Engineering Pvt. Limited	5.36	5.36

12. Our Company's statutory auditor has qualified his report with respect to certain matters in financial statements for the fiscal years 2006, 2007, 2008, 2009 and 2010.

Our Company's statutory auditor has qualified his audit report with respect to following matters:

a. Matters required adjustment in the restated financial statements

Our statutory auditor has reported that our Company has generally followed all Accounting Standards issued by Institute of Chartered Accountants of India except AS-15 i.e. Accounting for Retirement Benefits. No provision has been made in respect of liabilities towards gratuity, leave encashment. Further our Company has not provided for the Deferred Tax liability, this is in contravention of AS-22 issued by the Institute of Chartered Accountants of India. The said adjustments have been given effects in restated financial statements of the respective years/period as follows:

(` In Lakhs)

Particulars	**As on**				
	31.03.2010	**31.03.2009**	**31.03.2008**	**31.03.2007**	**31.03.2006**
Provision for Gratuity	(2.99)	(1.93)	(1.05)	(1.27)	(1.46)
Deferred Tax liability / (Assets)	(23.42)	(17.04)	(8.92)	9.13	46.87

b. Matters required no adjustment in the restated financial statements

There are certain auditor's qualifications which do not require any adjustments in restated financial statements.

For more details, please refer the chapter titled "*Financial Statements*" beginning on page 183 of the Red Herring Prospectus.

13. Our one of the objects of the Issue is acquisition of minority stake in subsidiary companies and any consideration towards such acquisition of stake shall be paid to our Company's directors or their relatives who are shareholders of subsidiary companies.

We intend to acquire minority stake in subsidiary companies by discharging consideration of ` 234.52 Lakhs. Further, such consideration shall be paid to our Company's directors or their relatives who are holding minority stake in subsidiary companies.

For further details, please refer the chapters titled *"History and Certain Corporate Matters"* and *"Objects of the Issue"* beginning on page 146 and 70 respectively of the Red Herring Prospectus.

14. Some of our Promoter Group companies and our subsidiarycompanies are engaged in the construction and infrastructure development sectors, and there may be possible conflicts of interest between us and such entities or with entities in which our Directors are interested.

The object clauses as contained in the memorandum of association of some of the Promoter Group companies (viz; Atal Buildcon Private Limited & Vastu-krupa Construction (India) Private Limited) and our subsidiary companies (viz; Atal Buildwell Private Limited, Ram Buildwel Private Limited, Punamraj Construwell Private Limited & Mohini Buildcon Private Limited) enable them to carry on the business of construction and infrastructure development. We currently own only 51% stake in our subsidiary and the remaining 49% is owned by others, which include our directors and their relatives. We may compete with these entities for business. As a result, there may be conflicts of interest between us and such Promoter Group companies and subsidiary companies in addressing business opportunities and strategies. In addition, some of our Directors are also directors on the boards of the aforesaid companies or other companies engaged in, or whose memorandum of association enables them to engage in, the same line of business as us. These overlapping directorships could create conflicts of interest between us and the Promoter Group companies or other entities. In order to resolve the conflict of interest with our subsidiaries the Company proposes to acquire remaining 49% stake of all its subsidiaries thereby making them wholly owned subsidiaries of our Company and the same has been stated as one of the Objects of the Issue.For further details, refer to the chapter titled *"Objects of the Issue"* on page 70 and *"Our Promoter Group and Group Entities"* on page 177 of the Red Herring Prospectus.

15. We have entered into certain transactions with related parties, including our Promoter Group, Directors and our employees aggregating to ` 1097.12 Lakhs for the year ended March 31, 2011. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

We have entered into certain transactions with related parties, including our Promoter Group, Directors and our employees to the extent of ` 1072.27 Lakhs; ` 24.85 Lakhs; & nil respectively for the year ended March 31, 2011 and may continue to do so. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

For details of Related Party Transactions, refer to the Annexure XVII on page 203 under chapter titled *"Financial Statements"*, beginning on page 183 of the Red Herring Prospectus.

16. Our Promoters and Directors may have interest in our Company, other than reimbursement of expenses incurred or remuneration.

Our Promoters and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their directorship in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapters titled *"Business Overview"* and *"Our Promoters"*, beginning on page 114 and 174, respectively and the Annexure XVII titled *"Related Party Transactions"* on page 203 under chapter titled *"Financial Statements"* beginning on page 183 of the Red Herring Prospectus.

17. We have taken on lease a property from one of our Promoter Group entity for commercial purposes.

Our Company has taken on lease a property admeasuring 18,000 sq. ft. at "Third Floor, Plot No. 152, Sector No. 1054, Trimbak Naka, Nasik, Maharashtra" from Atal Buildcon Private Limited, one of our group entity vide agreement dated February 18, 2011 at a monthly lease rent of ` 1.80 Lakhs for

commercial purposes. Our Company intent to sublet this property to others. It may be a case that we may not be able to find suitable parties for the same or there could be delay in this process resulting in the property remaining unoccupied or may not be commercially exploited to the fullest. For the purpose of this property, our Company has advanced ` 10.50 crores as a security deposit to Atal Buildcon Private Limited. The construction is going on at the aforesaid site and we presume that we would get the possession of the same by September 30, 2011.

For further information please refer paragraph titled *"Property"* beginning on page 138 under Chapter titled *"Business Overview"* beginning on page 114 of the Red Herring Prospectus.

18. One of our Promoters, Mrs. Aruna P. Laddha, wife of other promoter Mr. Prakash P. Laddha, does not have adequate experience in, and has not actively participated in, business activities undertaken by the Company. The Company cannot assure you that this lack of adequate experience of or participation by Mrs. Aruna P. Laddha in our business will not have any adverse impact on the management and/or operations of the Company.

One of our Promoters, Mrs. Aruna P. Laddha, wife of other promoter Mr. Prakash P. Laddha, does not have adequate experience in, and has not actively participated in, business activities undertaken by us. For further details of our Promoters, please see the chapter titled *"Our Promoters"* beginning on page 174 of the Red Herring Prospectus. The Company cannot assure you that this lack of adequate experience of or participation by, Mrs. Aruna P. Laddha in our business will not have any adverse impact on the management and / or operations of the Company.

19. We engage labour contractors or other agencies in our construction business.

We engage labour contractors or other agencies in our construction business accordingly, the timing and quality of construction of our contracts depends on the availability and skill of the labourers. We may also engage casual workforce in our projects. Although we believe that our relationships with our labour contractors are cordial, we cannot assure that skilled labour will continue to be available at reasonable rates and in the areas in which we execute our projects. As on June 30, 2011 we employ 230 skilled labourers and 40 unskilled labourers.

20. We rely on external agencies and third party suppliers in our construction business.

We rely on manufacturers and other suppliers to provide us with many of the products over which we do not have direct control over the quality of such products manufactured or supplied by such third party suppliers, we are exposed to risks relating to the quality of such products. In addition, even if some of these third parties do not timely or satisfactorily complete our orders, our reputation and financial condition could be adversely affected.

21. The nature of our construction business exposes us to delays and defects that affect our projects and which may have an adverse effect on our business.

We may be subject to claims resulting from defects arising from procurement and/or construction services provided by us within the warranty periods extended by us, which range from 6 to 24 months from the date of completion. Actual or claimed defects in equipment procured and/or construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, loss of production or suspension of operations. Although in certain cases manufacturers are required to compensate us for certain equipment failures and defects, such arrangements are subject to fixed caps and may not fully compensate us for the damages that we suffer as a result of equipment failures and defects or the penalties under our agreements with our customers, and do not generally cover indirect losses such as loss of profits or business interruption. Any significant operational problems or the loss of our machines and equipments for an extended period of time could result in delays or incomplete projects or services and adversely affect our results of operations.

22. Our entire operations are concentrated in the State of Maharashtra in India. Our growth strategy to expand into new geographic areas poses risks. We may not be able to successfully manage some or all of such risks, which may have a material adverse effect on our revenues, profits and financial condition.

Our operations have been geographically concentrated in the State of Maharashtra. Our business is therefore significantly dependent on the general economic condition and activity in the State in which we operate, and the central, state and local Government policies relating to real estate and infrastructure development projects. Although investment in the infrastructure sector in the areas in which we operate has been encouraged, there can be no assurance that this will continue.

We may expand geographically, and may not gain acceptance or be able to take advantage of any expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities. We may face additional risks if we undertake projects in other geographic areas in which we do not possess the same level of familiarity as competitors. If we undertake projects of different size or style than those currently is; we may be affected by various factors, including but not limited to:

(i) Adjusting our construction methods to different geographic areas;
(ii) Obtaining the necessary construction materials and labor in sufficient amounts and on acceptable terms;
(iii) Obtaining necessary Government and other approvals in time or at all;
(iv) Failure to realize expected synergies and cost savings;
(v) Attracting potential customers in a market in which we do not have significant experience; and
(vi) Cost of hiring new employees and absorbing increased infrastructure costs.

We may not be able to successfully manage some or all of the risks of such an expansion, which may have a material adverse effect on our revenues, profits and financial condition.

23. Projects included in our Order Book may be delayed, cancelled or not fully paid for by our clients, which could materially harm our cash flow position, revenues or profits.

As of June 30, 2011, our Order Book, on a consolidated basis, was ` 15,080.67 lakhs. For further details refer to chapter titled *"Business Overview"* beginning on page 114 of the Red Herring Prospectus. Future earnings related to the performance of the work in the Order Book may not necessarily be realized. Although projects in the Order Book represent business that we consider firm, cancellations or scope adjustments may occur. Due to changes in the scope of the project and its schedule, we cannot predict with certainty when or if the projects in our Order Book will be completed. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed or dispute the amounts owed to us. Any delay, cancellation or payment default could materially harm our cash flow position, revenues or profits, and adversely affect the trading price of our Equity Shares.

24. Inability to manage our growth may have an adverse effect on our business and results of operations.

We have experienced high growth in consolidated income from operations and profit after tax as per restated financials exhibiting a compounded annual growth rate of 68.77 % and 51.47 % respectively over the last four financial years. Further, we have also experienced a high growth in standalone revenues and net profit as per restated financials signifying a compounded annual growth rate of 36.67 % and 42.67 % respectively over the last five financial years. If this growth continues, it will place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organization. In particular, continued expansion increases the challenges involved in:

(i) Maintaining high levels of client satisfaction;
(ii) Recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
(iii) Adhering to health, safety and environment and quality and process execution standards that meet client expectations;
(iv) Preserving a uniform culture, values and work environment in our operations; and
(v) Developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

Any inability to manage our growth may have an adverse effect on our business and results of operations. Further, such robust growth in turnover or operation or profit after tax may not continue and the same should not be taken as basis for our future growth.

25. Our funding requirements and deployment of the proceeds of the Issue are based on management estimates and have not been independently appraised, and are not subject to monitoring by any independent agency.

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates, current quotations from suppliers and our current business plan. The fund requirements and intended use of proceeds have not been appraised by any bank or financial institution. In view of the competitive and dynamic nature of the infrastructure development and construction industry, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates, changes in quotations, exchange rate fluctuations and external factors, which may not be within the control of our management. In the event of an increase in expenditure and increased fund requirements, we will seek to meet these increased requirements by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If such surplus funds are unavailable, we will seek to meet these increased requirements through our internal accruals and additional debt. This may entail rescheduling or revising the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board. In addition, the estimated dates of completion of various projects as described herein are based on management's current expectations and are subject to change due to various factors such as delays caused by local weather conditions, suppliers' or sub-contractors' failure to perform, changes in Government policies or initiatives, changes in budgetary allocation or the insufficiency of funds on the part of the Government or the relevant Government organization some of which may not be in our control. In addition, current quotations from suppliers are only valid for limited periods and there can be no assurance that we will be able to obtain new quotations from these or other suppliers on the same terms". In case of decline in fund requirements at a later stage, such excess Issue proceeds will be deployed as approved by the board of directors of the Company at that point in time. We are not required to appoint any Monitoring Agency for the issue pursuant to the SEBI (ICDR) Regulations if our Issue Size does not exceed ` 500 crores.

26. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.

The details of Cash flows of the Company on a consolidated basis are as follows:-

(`In lakhs)

Particulars	Period ended 31.03.11	Year ended 31.03.10	Year ended 31.03.09	Year ended 31.03.08
Net Cash (used in) / from Operating activities	5.37	(491.29)	(183.88)	251.58
Net cash (used in) / from investing activities	(113.57)	30.93	(55.64)	(110.60)
Net cash (used in) / from financing activities	120.55	404.28	286.44	25.07
Net increase / (decrease) in cash and cash equivalents	12.35	(56.08)	46.92	166.05

If the negative cash flow trend persists in future, our Company may not be able to generate sufficient amounts of cash flow to finance our Company's working capital, make new capital expenditure, pay dividends, repay loans, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations.

27. *Our Registered office is not owned by us. In the event we are unable to renew the lease agreement, or if such agreement is terminated, we may suffer a disruption in our operations.*

Our Registered office situated at 6/7, Falcon Plaza, National Urdu High School Road, Near Sarda Circle, Nasik – 422 001, Maharashtra, India is taken on lease basis from Mr. Prakash Laddha, one of our Promoter ("the Lessor") at an annual rent of ` 2.40 Lakhs. The tenure of this agreement is one year (which expires on December 31, 2011), renewable every year on mutually agreed terms. Upon the termination of the lease, we are required to return the said office premises to the Lessor. The term of the agreements may or may not be renewed. In the event the Lessor terminates or does not renew the license on commercially acceptable terms, or at all, and we are required to vacate our office, we may be required to identify alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business and may adversely affect our operations and profitability.

28. Our Company has entered into a loan agreements which contain restrictive covenants.

As on June 30, 2011, our Company has outstanding secured loans of ` 1,637.41 lakhs from our bankers. As per our current financing arrangements with our bankers, we are subject to certain restrictive covenants which require us to obtain the prior consent of the respective lenders before undertaking certain actions.

For further details, please refer the chapter titled *"Financial Indebtedness"* beginning on page 236 of the Red Herring Prospectus.

29. The Company is yet to place orders for 100% of the equipments required for the project. Any delay in placing orders, procurement of equipments may delay our implementation schedule this may also lead to increase in price of these equipments, further affecting our revenue and profitability.

We are yet to place orders for all the machinery and equipment worth ` 930 lakhs as detailed in the *"Objects of the Issue"* beginning on page 70 of the Red Herring Prospectus. These are based on our estimates and on third-party quotations. In addition, our these planning to buy construction equipment which are subject to a number of variables, including possible cost overruns, changes in management's views of the desirability of current plans, change in supplier of equipments or equipments depending on the contracts bidded and actually awarded, among others, which may have an adverse effect on our business and results of operations.

30. The management of our Company will have flexibility in temporarily investing the net proceeds of the Issue in high quality interest bearing instruments.

Our Company intends to use the proceeds of the Issue for the capital expenditures described in the section titled "Objects of the Issue" appearing on page 70 of the Red Herring Prospectus. Pending utilization of the proceeds of the Issue, the management may temporarily invest proceeds of the Issue in high quality interest bearing liquid instruments, including money market mutual fund and deposits with banks for the necessary duration.

31. Our success largely depends on our Board and key managerial personnel and our ability to attract and retain them. Any loss of our director and key managerial personnel could adversely affect our business, operations and financial condition.

We depend significantly on the expertise, experience and continued efforts of our directors Mr. Prakash P. Laddha and Mr. Krishnan G. Trichur and our key managerial personnel. If one or more members of our Board or key managerial personnel are unable or unwilling to continue in his/her present position, it could be difficult to find a replacement. Our business could thereby be adversely affected. Opportunities for key managerial personnel in our industry are intense and it is possible that we may not be able to retain our existing key managerial personnel or may fail to attract / retain new employees at equivalent positions in the future. As such, any loss of key managerial personnel could adversely affect our business, operations and financial condition. For further details on the management of our Company please refer to the chapter titled *"Our Management"* beginning on page

158 of the Red Herring Prospectus.

32. Our revenues depend upon the award of new contracts and the timing of those awards. Consequently, our results of operations and cash flows may be adversely affected or fluctuate materially from period to period.

Our revenues are derived primarily from contracts awarded to us on a project-by-project basis. Generally, it is very difficult to predict whether and when we will be awarded a new contract since many potential contracts involve a lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing or assumed market conditions, financing arrangements, Government approvals and environmental matters. Because our revenues are derived primarily from these contracts, our results of operations and cash flows may be adversely affected or fluctuate materially from period to period depending on the timing of contract awards. The uncertainty associated with the timing of contract awards may increase our cost of doing business over a short period or a comparatively longer term. For example, we may decide to maintain and bear the cost of a workforce in excess of our current contract needs in anticipation of future contract awards. If an expected contract award is delayed or not received, we could incur costs in maintaining an idle workforce that may have a material adverse effect on our results of operations. Or, we may decide that our long term interests are best served by reducing our workforce and incurring increased costs associated with severance and termination benefits which also could have a material adverse effect on our results of operations for the period when incurred. Reducing our workforce could also impact our results of operations if we are unable to adequately staff the projects that are awarded subsequent to a workforce reduction.

33. We may be unable to bid on certain larger construction projects on our own and if we are unable to forge alliances with third parties, we may be precluded from bidding for those large construction projects, which could have an adverse effect on our growth prospects.

We enter into contracts through a competitive bidding process or on negotiated rate basis. In selecting contractors for major projects, clients generally limit the tender to contractors that have pre-qualified based on several criteria, including experience, technical ability, financial strength, past performance, reputation for quality, safety record and the size of previous contracts executed in similar projects with them or otherwise. Additionally, while these are important considerations, price is a major factor in most tender awards and in negotiated contracts and our business is subject to intense price competition. Our recent experience indicates that clients in the infrastructure, residential, industrial and other commercial sectors are increasingly developing larger, more technically complex projects and increasingly awarding the entire contract to a single project contractor. Pre-qualification is key to our winning such major projects. We may not be able to compete for some larger projects in the immediate future since our ability to bid for and win such major projects is dependent on our ability to show experience of working on such large contracts and develop strong technical capabilities and credentials to execute more technically complex turnkey projects. We may be unable to bid on certain large construction projects on our own, and may enter into memorandum of understanding or joint venture agreements with various other companies to meet capital adequacy, technical or other criteria that may be required as part of the bidding process or execution of the contract. In cases where we are unable to forge an alliance with appropriate companies to meet the aforementioned requirements, we may lose out on opportunities to bid, which could have an adverse effect on our growth prospects.

34. Demand for construction services depends primarily on the activity and expenditure levels in the infrastructure and real estate industries and any reduction in such activity and expenditure may adversely affect our business and prospects and may reduce the number of projects we undertake and slow down our growth.

Demand for our construction services for infrastructure, real estate and other projects that we undertake is particularly sensitive to the level of development and the corresponding capital spending by, infrastructure and real estate companies.

Demand for our construction services in the infrastructure sector is primarily dependent on sustained economic development in the regions that we operate in and Government policies relating to infrastructure development. It is also significantly dependent on budgetary allocations made by central and state governments for this sector as well as funding provided by international and multilateral

development finance institutions for infrastructure projects. Investment by the private sector in infrastructure projects is dependent on the potential returns from such projects and is therefore linked to Government policies relating to private sector participation and sharing of risks and returns from such projects. There can be no assurance that Government policies will continue to favor infrastructure investment.

35. The demand for construction services for the real estate sector is dependent on the performance of the property market in the areas in which we operate, and any slowdown in the demand for real estate and the demand for business of our customers could adversely affect our business.

The provision of construction services for the real estate sector is dependent on the performance of the property market in the areas in which we operate. It is not possible to predict whether demand for commercial or residential property in the areas in which we operate or generally will continue to grow in the future, as many social, political, economic, legal and other factors may affect the development of the property market. Accordingly, there can be no assurance that the level of demand will consistently match the level of supply. In the event of any unfavorable developments in the supply and demand or any decreases in property prices in the areas in which we operate or other parts in India, our business, financial condition and results of operations may be adversely affected.

36. Contracts in the infrastructure sector are awarded on the basis of pre-qualification criteria and competitive bidding processes. We face intense competition from other construction companies. Once the technical requirements of the tender are cleared, the contract is usually awarded on the basis of the competitive price quoted by the bidder.

In selecting contractors for the project, clients generally limit the tender to contractors that pre-qualifies based on several criterion including experience, technological capacity and performance, quality standards, ability to execute the project within the present timeframe, sophisticated machines etc. Disqualification on any of these grounds will make us ineligible for bidding. These pre-qualification criteria are at the discretion of the clients and we cannot assure that we would continue to meet the pre-qualification criterion of our existing or prospective clients. This would have an adverse impact on the financials of our Company.

37. Timely and successful completion of our projects is dependent upon our performance and, in the case of many projects, the cooperation of our sub-contractors, and any failure or delay in successful completion could adversely affect the construction quality of our developments and adversely affect our profitability and reputation.

We rely on third parties for the implementation of projects where we have entered into arrangements with third parties for the supply of labor, equipment and raw material. Accordingly, the timing and quality of construction of our properties depend on the availability and skill of those sub-contractors. Typically, construction contracts are subject to specific completion schedule requirements with liquidated damages chargeable in the event that a project falls behind schedule. Although we have completed our projects on or before schedule, in case of sub-contracting, the completion of the contract depends in part on the performance of our sub-contractors. Delay or failure on the part of a sub-contractor to complete its project work on time, for any reason, could result in additional costs to us, including the payment of contractually agreed liquidated damages. The amount of such additional costs could adversely affect our profit margins on the project. While we may seek to recover these amounts as claims from the supplier, vendor, sub-contractor, joint venture or other third party responsible for the delay or for providing non-conforming products or services, we cannot assure you that we will recover all or any part of these costs in all circumstances. If we enter into joint ventures for any project in the future, we may face similar risks as we may experience with a sub-contractor. Performance problems for existing and future projects could cause our actual results of operations to differ materially from those anticipated by us and could damage our reputation within our industry and our customer base.

38. Our projects expose us to potential product liability, warranty and other claims, which could be expensive, damage our reputation and harm our business. Our insurance coverage may not adequately protect us against all possible losses.

We construct and perform services at construction sites where accidents or system failures can be disastrous. Any occurrence in excess of our insurance limits at locations constructed by us or services performed could result in significant product liability, warranty and other claims against us by our customers, including claims for cost overruns and the failure of the project to meet contractually specified milestones or performance standards. Further, the rendering of our services on these projects could expose us to risks to, and claims by, third parties and Government agencies for personal injuries, property damage and environmental matters, among others. Any claim, regardless of its merit or eventual outcome, could result in substantial costs to us, a substantial diversion of management's attention and adverse publicity.

The aggregate contractors all risk policy (including third party liability, surrounding property, removal of debris and public liability) coverage maintained by us is ` 10,360 lakhs. The aggregate workmen's compensation insurance maintained by us is ` 170 lakhs. While we believe that we maintain insurance coverage in amounts consistent with industry norms, our insurance policies do not cover all risks and are subject to exclusions and deductibles. There can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of the claims described above. If we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

39. Our results of operations could be adversely affected by any disputes with our employees.

While we believe that we maintain good relationships with our employees and contract labor, there can be no assurance that we will not experience future disruptions to our operations due to disputes, strikes or other problems with such work force, which may adversely affect our client goodwill, business and results of operations. The number of contract laborers vary from time to time based on the nature and extent of work contracted to independent contractors. We enter into contracts with independent contractors to complete specified assignments. All contract laborers engaged at our facilities are assured minimum wages that are fixed by local Government authorities. Any upward revision of wages to be paid to such contract laborers, or offer of permanent employment to any temporary worker, or the unavailability of contract laborers may adversely affect our business and results of our operations.

40. We have high working capital requirements. If we have insufficient cash flows to meet working capital requirements there may be an adverse effect on our results of operations.

Our business requires a significant amount of working capital. We may require working capital to finance the purchase of materials and the performance of construction and other work on projects before any payment is received from clients. Although historically we have operated as a company with little or no debt, our growth may require us to incur additional indebtedness in the future. Our working capital requirements may increase if, in certain contracts, payment terms include reduced advance payments or payment schedules that specify payment towards the end of a project or are less favorable to us. To qualify for large construction contracts and the BOT contracts, we need adequate funding. Another factor which may cause us to incur a large amount of working capital is delays in completion of our current construction projects could increase the financing costs, including due to increase in prices of raw materials associated with construction and cause our forecasted budget to be exceeded. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

41. Our industry is highly fragmented and competitive and increased competitive pressure may adversely affect our results.

We operate in a highly fragmented and competitive industry. We enter into contracts primarily through a competitive bidding process or on negotiated rate basis. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. We compete against various construction companies. In selecting contractors for major projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria, including experience, technical ability, past similar projects with them or otherwise. Additionally, while these are important considerations, price is a major factor in most tender awards and in negotiated contracts and our business is subject to intense price competition. A number of our

competitors are larger and better placed, which would enable them to take advantage of efficiencies created by size, and may have better financial resources or greater access to capital at lower costs, and may be better known in regional markets in which we compete. In addition, as the industry is highly fragmented, we also face competition from local contractors, who may be able to cater to local demands at fees and costs lower than ours. Our inability to compete successfully in our industry would materially and adversely affect our business prospects and results of operations.

42. We could be adversely affected if we fail to keep pace with technical and technological developments in the construction industry.

Our recent experience indicates that clients are increasingly developing larger, more technically complex projects in the infrastructure, residential, industrial and other commercial sectors. To meet our clients' needs, we need to continuously update existing technology and equipment for our construction services. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write downs of assets. Our failure to anticipate or respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and results of operations.

43. Our profitability and results of operations may be adversely affected for few of our projects in the event of increases in the price of raw materials, fuel costs, labour or other inputs.

Our business is affected by the availability, cost and quality of the raw materials that we use in construction activities. Our principal raw materials include steel and cement. Generally our longer term contracts have price escalation clauses for increases in the cost of principal raw materials, however, we bear the risk of increases in costs of other raw materials. The prices and supply of these and other raw materials, including fuel and labor costs, depend on factors not under our control, including but not limited to general economic conditions, global and domestic market prices, competition, production levels, transportation costs and import duties, and these prices are cyclical in nature. If, for any reason, our primary suppliers of raw materials should curtail or discontinue their delivery of such materials to us in the quantities we need and at prices that are competitive, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted, and we may not be able to complete our projects as per schedule or at all. We may also not be able to pass on any increase in the prices of these building materials to our customers. Any of these factors may materially and adversely affect our results of operations and financial condition.

44. Our inability to attract and retain skilled personnel could adversely affect our business and results of operations.

Our ability to meet future business challenges depends on our ability to attract and recruit talented and skilled personnel. We are not certain that we will be able to increase their salaries at historical rates in future and maintain our profitability margins. Further, there can be no assurance that an increase in salary will result in lesser attrition. Our future performance will depend upon the continued services of these persons. The loss of any key personnel or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business and results of operations. In addition, we cannot assure you that we will be successful in our efforts to retain or attract qualified personnel when needed. Therefore, when we anticipate or experience growing demand for our services, we may incur the cost of maintaining a professional staff in excess of our current contract needs in an effort to have sufficient qualified personnel available to address this anticipated demand.

45. Our business operations are subject to hazards and other risks and could expose us to material liabilities, loss in revenues and increased expenses, negatively impact employee morale and result in high employee turnover.

Our business operations are subject to hazards inherent in providing construction services, such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Our policy of covering these risks through contractual limitations of liability, indemnities and

insurance may not always be effective. Losses may arise from risks not addressed in our agreements or insurance policies, or it may no longer be possible to obtain adequate insurance against some risks on commercially reasonable terms. Failure to finish any project in time may require us to pay penalties according to the provisions of the work orders or letters of intent. Failure to effectively cover ourselves against construction industry risks for any of these reasons could expose us to substantial costs and potentially lead to material losses. Workplace accidents cannot be eliminated and high accident rates may limit or eliminate potential revenue streams from many of our largest customers and may materially increase our future insurance and other operating costs. Additionally, the occurrence of any of these risks may also adversely affect public perception about our operations and the perception of our suppliers and clients and the morale and attrition rates of our employees, leading to an adverse effect on our business. These liabilities and costs could have a material adverse effect on our business, results of operations and financial condition.

46. Given the long-term nature of the projects we undertake, we face various kinds of implementation risks and our inability to successfully manage such risks may have an adverse impact on the functioning of our business.

Most infrastructure construction projects involve agreements that are long-term in nature. Long-term agreement share inherent risks associated with them that may not necessarily be within our control and accordingly our exposure to a variety of implementation and other risks, including construction delays, material shortages, unanticipated cost increases, cost overruns, inability to negotiate satisfactory arrangements with joint venture partners, and disagreements with our joint venture partners is enhanced.

For example, business circumstances may materially change over the life of one or more of our agreements and we may not have the ability to modify our agreements to reflect these changes. Further, being committed under these agreements may restrict our ability to implement changes to our business plan. This limits our business flexibility, exposes us to an increased risk of unforeseen business and industry changes and could have a material adverse effect on our business, financial condition and results of operations.

47. The execution of large-scale integrated projects increases the potential relative size of cost overruns and negatively affects our operating margins.

There are various risks associated with the execution of large-scale integrated projects. Larger contracts may represent a larger part of our portfolio, increasing the potential volatility of our results and exposure to individual contract risks. Managing large-scale integrated projects may also increase the potential relative size of cost overruns and negatively affect our operating margins. Additionally, while in the past we selectively bid on only those contracts related to the portions of a project which we believed had the best potential for high margins, large-scale integrated projects may cause us to assume portions of the project that may have potentially lower percentage margins.

48. Our inability to provide financial and performance guarantees in favor of our clients may adversely affect our business.

We are often required to provide financial and performance guarantees guaranteeing our performance and/or financial obligations in relation to a project. The amount of guarantee facilities available to us depends upon our financial condition and availability of adequate security for the banks and financial institutions that provide us with such facilities. If we are unable to provide sufficient collateral to secure the bank guarantees, our ability to enter into new contracts could be limited. Providing security to obtain bank guarantees increases our working capital needs. Such bank guarantees generally impose restrictive covenants on raising additional debt or payment of dividends. We may not be able to continue obtaining new bank guarantees that match our business requirements. A failure to do so may have a material adverse effect on our business.

49. We have not identified any alternate source of financing the 'Objects of the Issue'. If we fail to mobilize resources as per our plans, our growth plans may be affected.

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled *"Objects of the Issue"* on page 70 of the Red Herring Prospectus.

50. We have in the last 12 months issued Equity Shares at a price which may be lower than the Issue Price.

We have also issued 78,09,000 fully paid up Equity Shares of the face value of `10 each as bonus in the ratio of 19 fully paid up equity share for every 1 fully paid up equity share held on EOGM dated on December 8, 2010. Besides this, we have in the last 12 months, not issued Equity Shares at a price that could be lower than the Issue Price. For details, please refer to the chapter titled *"Capital Structure"* beginning on page 58 of the Red Herring Prospectus.

51. We may decide not to proceed with the Issue at any time before Allotment. If we decide not to proceed with the Issue after the Bid/Issue Opening Date but before Allotment, the refund of Bid Amounts deposited will be subject to us complying with our obligations under applicable laws.

We, in consultation with the BRLM, reserve the right not to proceed with the Issue at any time before the Allotment. If we withdraw the Issue after the Bid/Issue Opening Date, we will be required to refund all Bid Amounts deposited within 8 days of the Bid/Issue Closing Date. We shall be required to pay interest at the rate of 15% per annum on the Bid Amounts received if refund orders are not dispatched within 8 days from the Bid/Issue Closing Date. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

52. Any further issuance of Equity Shares by the Company or sales of the Equity Shares by any of its significant shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of our Equity Shares by the Company could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Upon completion of the Issue, 20% of our post-Issue paid-up capital held by our Promoters will be locked up for a period of three years and entire pre-Issue Equity Share Capital will be locked up for a period of one year from the date of allotment of Equity Shares in the Issue.

For further information relating to such Equity Shares that will be locked, please refer the chapter titled *"Capital Structure"* beginning on page 58 of the Red Herring Prospectus.

53. The price of our Equity Shares may be highly volatile.

The prices of our Equity Shares on the Indian Stock Exchanges may fluctuate after this Issue as a result of several factors including the following:

a) volatility in Indian and global securities markets;
b) our results of operations and performance;
c) performance of our competitors and perception in the Indian market about investment in the infrastructure and real estate sector;
d) adverse media reports on our Company or the Indian infrastructure and real estate industry;
e) changes in the estimates of our performance or recommendations by financial analysts;
f) significant development in India's economic liberalization and de-regulation policies; and
g) significant development in India's fiscal and environmental regulations.

There can be no assurance that the price at which our Equity Shares are initially traded will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

54. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

The Issue Price of our Equity Shares will be determined by the Book Building Process. This price will be based on numerous factors and may not be indicative of the market price for our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Shares at or above the Issue Price. Among the factors that could affect our Share price are: quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net profit and income; changes in income or earnings estimates or publication of research reports by analysts; speculation in the press or investment community; general market conditions; and domestic and international economic, legal and regulatory factors unrelated to our performance.

55. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

We are subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

56. We have not paid any dividend in the past and our ability to pay dividends in future will depend upon future earnings, financial condition, cash flows, capital expenditures and restrictive covenants in our financing arrangements.

We have not paid any dividend in the past and our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all. Our ability to pay dividends could also be restricted under certain financing arrangements that we may enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements, financial condition and results of operations.

External Risk Factors

57. Our revenues are subject to a significant number of tax regimes and changes in the legislation governing the rules implementing them or the regulator enforcing them in any one of these states could negatively and adversely affect our results of operations.

Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, service tax, income tax, VAT, and other direct and indirect taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

58. A slowdown in economic growth in India or in the States in India, in which we operate, could cause our business to suffer.

Our performance and the quality and growth of our assets are dependent on the health of the overall Indian economy and the economy of the States in India in which we operate. India's economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting

agriculture, commodity and energy prices or various other factors. Any slowdown in the Indian economy or in the States in India in which we operate or future volatility in global commodity prices could adversely affect the policy of the various Governments towards infrastructure, which may in turn adversely affect our financial performance.

59. Our performance is linked to the stability of policies and the political situation in India.

For over two decades from now, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. We cannot assure you that these liberalisation policies will continue under the newly elected Government. Protests against privatisation could slowdown the pace of liberalization and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting companies in the infrastructure sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and our business in particular.

60. Our businesses are subject to a variety of safety, health and environmental laws and regulations including those covering hazardous materials. Any failure on our part to comply with these applicable laws and regulations could have an adverse effect on our consolidated financial condition.

We operate in a regulated environment and must comply with a number of requirements mandated by Indian laws and regulations, including policies and procedures established by local authorities and designed to implement such laws and regulations. See the chapter titled "Regulations and Policies" beginning on page 141 of the Red Herring Prospectus for a description of laws and regulations applicable to us in India. Non-compliance with any regulation may lead to penalties and fines, revocation of our approvals, sanctions, licenses, registrations and permissions or litigation. For more information regarding various approvals obtained by us in connection with our business, see the chapter titled *"Government and Other Approvals"* beginning on page 260 of the Red Herring Prospectus. If we fail to obtain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business and results of operations could be adversely affected.

Our operations are subject to numerous safety, health and environmental protection laws and regulations, which are complex and stringent. We regularly perform work in and around sensitive environmental areas. Significant fines and penalties may be imposed for non-compliance with the safety, health and environmental laws and regulations, and some of these laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage without regard to negligence or fault on the part of such person. In addition to potential liabilities that may be incurred in satisfying these requirements, we may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. Furthermore, we incur expenses relating to operating methodologies and standards in order to comply with applicable safety, health and environmental laws and regulations.

Such laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our own acts including those which were in compliance with all applicable laws at the time such acts were performed. Sanctions for failure to comply with these laws, rules and regulations, many of which may be applied retrospectively, may include:

- administrative, civil and criminal penalties;
- revocation of permits; and
- corrective action orders

61. Acts of violence or war involving India, or other countries could adversely affect the financial markets, and adversely affect our business, financial condition and results of operations.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our

business. Such incidents may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability.

62. Outbreak of contagious diseases in India may have a negative impact on the Indian infrastructure and real estate industry.

Recently, there have been threats of epidemics, including the H1N1 virus that causes "swine flu" and which the World Health Organization has declared a pandemic, in the Asia Pacific region, including India, and in other parts of the world. If any of our personnel are suspected of having contracted any of these infectious diseases, we may be required to quarantine such persons or the affected areas of our facilities and temporarily suspend a part or all of our operations. Further, the fear of any of our personnel or labourers contracting such contagious diseases would have a material adverse effect on our business, prospects, financial condition and results of operations and could cause the price of our Equity Shares to decline.

63. Natural calamities and force majeure events may have an adverse impact on the Indian economy.

Natural calamities could have a negative impact on the Indian economy and cause our business to suffer. India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy, adversely affecting our business and the price of our Equity Shares.

64. We may not receive final listing and trading approvals from the BSE and NSE. An active market for the Equity Shares may not develop which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The Equity Shares are fresh issue of securities for which there is currently no trading market. Our Company will apply to the BSE and NSE for final listing and trading approvals after the Allotment of the Equity Shares in the Issue. There can be no assurance that we will receive such approvals on time or at all. Also, no assurance can be given that an active trading market for the Equity Shares will develop or as to the liquidity or sustainability of any such market, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which shareholders will be able to sell their Equity Shares. If an active market for the Equity Shares fails to develop or be sustained, the trading price of the Equity Shares could fall. If an active trading market were to develop, the Equity Shares could trade at prices that may be lower than their Issue Price.

65. You will not be able to sell immediately on an Indian Stock Exchange any of the Equity Shares you purchase in the Issue.

Under the SEBI (ICDR) Regulations, we are permitted to allot equity shares within 12 days of the Bid/Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your demat account with Depository Participants until approximately 12 days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account and final listing and trading approvals are received from the Stock Exchanges. There can be no assurance that final listing and trading approvals will be obtained from the Stock Exchanges on time or at all. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time periods.

66. Conditions in the Indian securities market may affect the price and liquidity of our Equity Shares.

Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and

restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the BSE and NSE could adversely affect the trading price of our Equity Shares.

67. Any downgrade of our debt ratings or of India's sovereign debt rating could adversely affect our business.

Any downgrade in our credit ratings may increase interest rates on our outstanding debt, increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our ability to raise new capital on a competitive basis, which may adversely affect our profitability and future growth.

In addition, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. This could have an adverse effect on our business and future financial performance and our ability to fund our growth.

Prominent Notes:

1) Investors may contact the BRLM for any complaints pertaining to the Issue.

2) Public Issue of [●] Equity Shares at a price of ` [●] for cash, aggregating ` 6,000 lakhs. The Issue will constitute [●] % of the fully diluted post-Issue Equity Share capital of the Company.

3) The net worth of the Company was ` 3053.01 lakhs (standalone basis) and ` 3216.96 lakhs (consolidated basis) as of March 31, 2011, as per the restated financial statements of the Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI (ICDR) Regulations. For more information, see the chapter titled *"Financial Statements"* beginning on page 183 of the Red Herring Prospectus.

4) The book value per Equity Share of `10 each was ` 37.14 (standalone basis) and ` 39.14 (consolidated basis) as of March 31, 2011, as per the restated financial statements of the Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI (ICDR) Regulations. For more information, see the chapter titled *"Financial Statements"* beginning on page 183 of the Red Herring Prospectus.

5) The average cost of acquisition of the Equity Shares held by our Promoters, Mr. Prakash P. Laddha and Mrs. Aruna P. Laddha, is ` 0.50 and ` 0.50 per Equity Share respectively. The average cost of acquisition of Equity Shares held by our Promoters has been calculated by taking the average of the amount paid by them (on FIFO basis) to acquire the Equity Shares issued by the Company, including bonus shares.

6) Except as disclosed in the chapters "*Objects of the Issue", "Our Promoter Group and Group Entities"* and *"Our Management"* beginning on page 70, 177 and 158 of the Red Herring Prospectus, respectively, none of the Promoters, Directors or key management personnel have any interest in the Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner or trustee and to the extent of the benefits arising out of such shareholding.

7) For related party transactions, including details of transactions between the Company with its subsidiaries and group companies and the cumulative value of such transactions see the Annexure XVII on page 203 under chapter titled *"Financial Statements"* beginning on page 183 of the Red Herring Prospectus.

8) For information on changes in the Company's name and changes in objects clause of the Memorandum of Association of the Company, see the chapter titled *"History and Certain Corporate Matters"* beginning on page 146 of the Red Herring Prospectus.

9) Neither a member of the Promoter Group nor a Director nor any relative of any Director has financed the purchase by any other person of any securities of the Company during the six months immediately preceding the date of the Red Herring Prospectus.

10) Other than as stated in the chapter titled *"Capital Structure"*on page 58 of the Red Herring Prospectus, the Company has not issued any Equity Shares for consideration other than cash.

11) For details of transactions in the securities of the Company by the Promoters, the Promoter Group and Directors in the last six months, see the chapter titled *"Capital Structure"* on page 58 of the Red Herring Prospectus.

12) The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue will be allotted on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid bids being received at or above the Issue Price. For further details, see the chapter titled *"Issue Structure"* beginning on page 282 of the Red Herring Prospectus.

13) For any clarification or information relating to the Issue, investors may contact the BRLM or the Company, who will be obliged to provide such clarification or information to the investors at large. No selective or additional information would be available for a chapter titled of investors in any manner whatsoever.

14) Investors are advised to also refer to the chapter titled *"Basis for Issue Price"* beginning on page 77 of the Red Herring Prospectus.

15) Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis. For more information, see the para titled *"Issue Procedure – Allotment"* beginning on page 287 of the Red Herring Prospectus.

16) Trading in Equity Shares for all investors shall be in dematerialized form only.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Red Herring Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Statements" and related notes beginning on page 14 and 183 respectively of the Red Herring Prospectus before deciding to invest in our Equity Shares.

Indian Economy

India, with a GDP of Rs. 48,778 billion at the end of FY 11, is the fourth-largest economy in the world after USA, China and Japan. During the pre-liberalisation period, India was considered to be an agrarian economy with more than 70% of the GDP being contributed by the agricultural sector. In 1991, the Government of India (GoI) initiated a series of economic reforms to promote industrial growth to bring in economic stability and growth. New liberal policies included opening of international trade and investment, privatisation, tax reforms etc. to transform the economy from socialism to capitalism. With these reforms, the economic growth which was hovering at the lower levels increased to above 8% territory in past few years. Barring FY09, economy has registered a growth of 8% and above during the period FY 06-11.

Economy grew at a much faster pace in FY11 and registered an impressive growth of 8.5%. The high growth in GDP came from all the sectors:agricultural sector expanded by 6.6%, manufacturing sector grew at 8.3%, construction sector clocked a growth of 8.1% while the mining sector grew at 5.8%. The service sector was also buoyantand registered a growth of 9.4%.

Industry Overview

Broadly, construction can be classified into three segments – infrastructure, industrial and real estate. The infrastructure segment involves construction projects in different sectors like roads, rails, ports, irrigation, power, telecom etc. Investment in the infrastructure sector plays a crucial role in the growth of the economy of the country. Development of infrastructure in the country mainly depends upon the spending by GoI in various sub-segments of infrastructure.

Construction as a percentage of GDP has been in narrowrange of 7.9-8.1% in the past sixyears.The Government emphasized mainly to ease liquidity and liberalize the lending policies. Focus was given to increase the expenditure on infrastructure and provide funding to the long-term infrastructure projects in order to speed up the completion. GoI had authorized India Infrastructure Finance Co. Ltd. (IIFCL) to raise Rs. 40,000 crore through tax-free bonds to refinance bank lending for infrastructure projects in the Public Private Partnership (PPP) mode. Apart from this, IIFCL was allowed to provide takeout financing to banks so that they can lend to the long-term infrastructure projects.

Post election in early FY10, the government had been focusing on awarding projects under different infrastructure segments. Also, the quantum of projects being shelved/deferred in the industrial sector slowed down in the last fiscal. In FY10, the proportion of construction to GDP remained at about 8% and registered a growth of 7%.

With the recovery in the economic growth and increased impetus of the government on infrastructure development, construction registered a strong growth of 8.9% on a yoy basis during the secondhalf of lastfiscal as against the GDP growth of 8.1%. In Q4 FY11, GDP growth slowed down to 7.8% while construction GDP grew by 8.2% on yoy basis.

For more details, please refer the chapter titled "Industry Overview" beginning from page 89 of the Red Herring Prospectus.

SUMMARY OF BUSINESS

We are a construction company predominantly engaged in the business of infrastructure development and civil construction. We are a fast growing company that provides integrated engineering, procurement and construction services. We believe in providing high quality and innovative projects on a timely basis. We undertake projects for various Government / semi-government bodies and other private sector clients. Our Company is headquartered at Nasik, Maharashtra and has operations across the state of Maharashtra.

We focus on the following segments of construction:

- Infrastructure development; including construction and maintenance of roads / highways, bridges, including projects on public private partnership (PPP) model, industrial parks, work-shops, hospitals, educational institutions;
- Civil construction; including, Government staff quarters, hostel buildings and auditoriums;
- Residential and commercial real estate construction

Our Company is registered as Class 1A contractor with the Public Works Department, Government of Maharashtra; wherein we can bid for a range of contracts without restriction on any cost parameters. Further, our Company is also registered with other Government/semi-government bodies to bid for various types of construction projects.

Clientele

Over the years, we have developed to undertake and successfully execute a range of construction projects in the state of Maharashtra. Our client list includes:

- Public Works Department, Maharashtra State
- National Building Construction Corporation (NBCC)
- Maharashtra State Police Housing & Welfare Corporation (MSPHWC)
- Maharashtra State Road Transport Corporation (MSRTC)
- Maharashtra State Electricity Distribution Company Ltd. (MSEDCL)
- Maharashtra State Power Generation Company Limited (MSPGCL)
- Indian Oil Corporation (IOC)
- Nasik Municipal Corporation
- Maharashtra Health System Development Project
- Maratha Vidya Prasarak Samaj, Nasik
- Tribal Development Department, Nasik

Our Strengths

- ***Experienced management and a well trained employee base***

Mr. Prakash P. Laddha, our Promoter and Whole Time Director, has over three decades of entrepreneurial experience in the infrastructure and construction industry and is a first generation entrepreneur. Mr. Krishnan G. Trichur, our Managing Director has over 40 years of experience, including experience into infrastructure industry. Our management team also plays an instrumental role in decision making process considering their vast experience in the construction industry. We believe we have a well qualified and experienced employee base, which is responsible for the growth in our business operations.

- ***Successfully completed a number of projects awarded by Government / semi-government bodies***

The Company has over 15 years of experience in the construction industry and has executed many projects for Government and semi-government agencies. Due to our focus on quality and timely execution of projects, we have earned repeat orders from our clients like Public Works Department and Maharashtra State Police and Housing Corporation to name a few. The experience that we have

gained over the years and our understanding of the business, among other factors, enables us to pre-qualify for the bids we participate in.

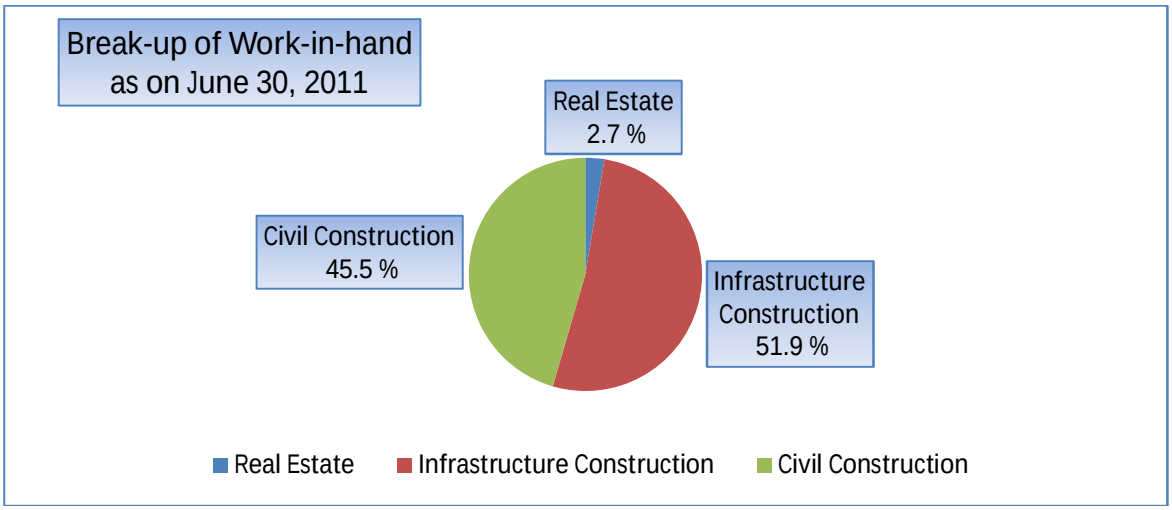
- ***Successfully completed BOT project by way of PPP model***

We have successfully executed BOT project at Arni, Yeotmal on Public-Private Partnership (PPP) model. The project included construction of by-pass road and widening of several bridges in between Arni to Mahagaon, Yevatmal along with construction of new bridge on Nagpur-Bori-Tuljapur Road. We have also developed a commercial complex at Arni, Yeotmal for MSRTC. Successful completion of the BOT project and our extensive experience in construction, operation and maintenance of highways, roads and buildings would enable us to capitalise on the opportunities available in this growing sector of the Indian economy.

- ***Diverse order book***

We have, over the years, leveraged our civil construction expertise in diverse segments of the construction and infrastructure industry such as roads, bridges, buildings and industrial parks. As of June 30, 2011, our order book, was ` 15,080.67 lakhs and is spread across the construction sectors in which we operate. Each of these construction activities requires specific skill sets and experience which have been developed by our Company for the timely execution of the projects in these sectors.

The below chart explains the kind of construction projects we are going to execute in near future.



We believe that the size and diversification of our order book may enable us to sustain our financial condition and results of operations through difficult economic climate and reduce our dependence on any particular segment and negate cyclical risks associated with the provision of construction services to a particular industry or sector. Successful execution of the projects in our order book will, we believe, enhance our reputation and provide us with a competitive advantage.

- ***Technical expertise and vast industry experience***

The Industry in which we operate demands high level of skill sets. We have qualified and trained employees consisting of project managers and supervisors, technical staff and non-technical staff. We benefit from a well-qualified workforce which has assisted in the implementation of our business strategies in the past. Our supervisors are skilled in terms of technical expertise and experienced to handle our contracts. This gives us the ability to serve the needs of our clients and execute the technical requirement of diverse projects that we undertake. Experience gathered over the years by our management team backed by on-the-job training ensures that we meet the highest standards of quality and workmanship in a cost effective manner while strictly adhering to committed timelines in

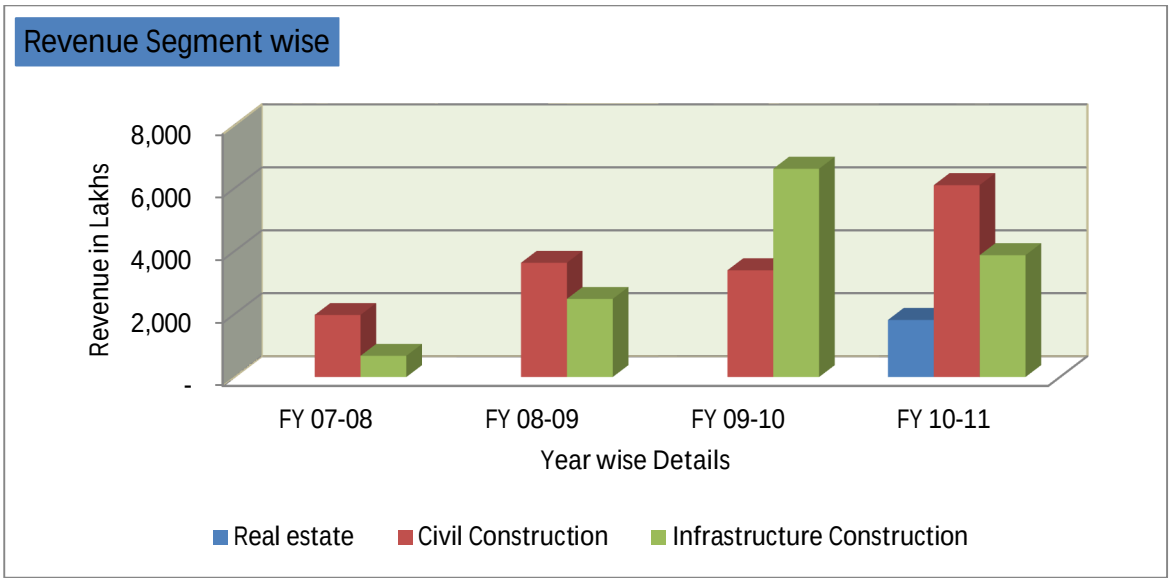
delivery. We believe that our expertise in project implementation and commitment of our project managers and their support team provides us with a competitive edge over others.

- ***Track record of timely completion of Projects***

It is critical in the construction industry that projects are completed as per contracted schedule. We have a track record of timely execution of the projects which minimizes cost overruns and eliminates any possibilities of penalties and liquidated damages, while earning repeat orders from our clients. We have never been penalized for delayed execution of a project.

- ***Continuous growth in our bid capacity and pre-qualification capability***

Our business and growth are dependent on our ability to bid and secure large and varied projects. Bidding for infrastructure projects is dependent on various criteria; including bid capacity and pre-qualification capability. Bid capacity represents the aggregate value of the contracts that can be awarded to us, and is computed based on pre-defined criteria of various authorities. Pre-qualification capability includes various factors such as the technical capability, financial capability and past experience in similar projects. We have focused on improvising these parameters and continuously increased our bid capacity. Our total revenues on standalone basis as per restated financials have increased from ` 3,656 lakhs in FY 2006-07 to ` 12,813 lakhs in FY 2010-11, indicating compounded annual growth of 36.67 % over the last 5 years. Our standalone net profits as per restated financials have increased from ` 254 lakhs to ` 1,051 lakhs indicating a compounded annual growth of 42.67 % over the past five financial years. The below chart will provide an overview of our growth and the type of works executed by us over the past four years.



- ***Integrated business model***

We are able to undertake all the activities related to a construction projects in-house, from tendering for the project to the execution of the same. This helps to ensure timely completion of project; reduces our reliance on sub-contractors and decreases our cost. We prepare all tendering documents and have dedicated planning and project management team. We have an experienced team and fleet of construction equipments to construct and maintain the project. Our integrated structure also enables us to bid for a project with confidence in our ability to complete and operate the same on a profitable basis.

Our Business Strategy

We intend to continue to provide high quality services to our clients and grow our business by leveraging our strengths and implementing the following strategies.

1. Continue to enhance our project execution capabilities

We intend to continue our focus in enhancing project execution capabilities so as to derive twin benefits of client satisfaction and improvements in operating margins. We will constantly endeavor to leverage our operating skills through our latest equipment and project management tools to increase productivity and maximize asset utilization in our capital intensive projects. We believe that we have developed a reputation for undertaking challenging construction projects and completing such projects in a timely manner. We intend to continue our focus on performance and project execution ability in order to maximize client satisfaction and margins. We continue to optimize operating and overhead costs to maximize our operating margins. To facilitate efficient and cost-effective decision-making, we intend to continue to strengthen our internal systems. Our ability to effectively manage projects will be crucial to our continued success as a recognized infrastructure company. We believe that we are able to distinguish ourselves from our competitors because of our management strength and in-house development, construction, operation and maintenance capabilities. We intend to continuously strengthen our execution capabilities by adding more engineers, attracting professionals, and facilitating continuous learning with in-house training opportunities.

2. Strengthening our position in the civil construction space

We believe our ability to undertake a wide range of civil construction projects, including, educational institutes, hospitals, corporate offices and residential and commercial projects provides us with a unique opportunity. In order to increase our market share and achieve a balanced revenue stream that is spread across various segments, we intend to pursue technically complex projects in the civil construction sector, including PPP projects.

3. Target specific high potential projects in infrastructure and real estate segments

We intend to concentrate on projects where we believe there is high potential growth and where we enjoy competitive advantage. We believe that our expertise and experience in development, operation, and maintenance of road infrastructure projects, civil construction for Government bodies and real estate construction will provide us with an advantage in pursuing growth opportunities in this fast growing sector.

We intend to associate with larger, technically more complex projects by leveraging, among other things, our prior experience in infrastructure projects and our equipment base. The high entry barriers for bidding for large order size projects and the resulting decreased competition to bid for and undertake such projects makes this an attractive sector in which to participate. While working on higher value projects may have associated risks, such projects also enable us to reduce operating costs and expenses and benefit from potentially higher margins.

4. Bid for, win and operate projects on Public-Private Partnership (PPP) Model

The Government has planned for a number of projects on a BOT/BOOT/BOLT or annuity basis. We believe that such projects will become increasingly more prevalent in the coming years because of the Government's reliance on the public-private partnership (PPP) model. BOT/BOOT/BOLT or annuity projects generally provide better operating margins because of the added overall control of project costs that can be exerted by the contractor. Additionally PPP projects offer the possibility of Government assistance to the contractor by virtue of better than anticipated use of the asset. We intend to take up BOT/BOOT/BOLT/ or annuity projects by leveraging our technical and financial credentials, which we believe will be improved by the strengthened balance sheet that we expect to have following the Issue. Such a balance sheet should allow us to take on more projects, including BOT/BOOT/BOLT and annuity projects on our own. It will also increase our ability to form strategic alliances with corporate developers and financial institutions, which we intend to do more of, on a project-by-project basis enhancing our prospect to bid for and execute such projects.

5. Leverage our expertise and focus on new territories

We intend to continue to focus on performance and project execution in order to maximize client satisfaction and margins. We will constantly endeavor to leverage our project management capabilities to increase productivity and maximize asset utilization in capital intensive projects. We will continue to optimize operations by minimizing operational / overhead costs, increase productivity thereby achieve to maximize our operating margins.

Till date, our Company has executed projects in the State of Maharashtra. In future, our Company intends to spread its area of operations to other States as well, which is one of the effective ways to mitigate the risks associated with infrastructure projects.

6. Joint Venture with other infrastructure companies for increasing the bid capacity for larger projects and with regional players to reap the benefits of our experience

We look forward to develop strategic alliance and form project specific alliances to increase our bid capacity. We would also continue to form project specific joint ventures with regional players whose resources, skills and strategies are complementary to our business and would help us reap the benefits of our experience.

SUMMARY OF FINANCIALS

The following summary of financial data has been prepared in accordance with Indian GAAP,the Companies Act and the SEBI (ICDR) Regulations, 2009 and restated as described in the Auditor's Report in the section titled "Financial Information". You should read this financial data in conjunction with our standalone financial statements for Financial Year 2007, 2008, 2009, 2010 and 2011 and consolidated financial statements for the Financial Year 2008, 2009, 2010 and 2011including the notes thereto and the reports thereon, which appears under the chapter titled *"Financial Statements"* and chapter titled *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on page 183 and 239 of the Red Herring Prospectus.

Summary Statement of Standalone Assets and Liabilities, as Restated

(` In Lakhs)

Particulars	As at				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
A TANGIBLE ASSETS					
Fixed Assets					
Gross Block	309.72	284.46	264.08	240.65	146.77
Less : Accumulated Depreciation	(153.86)	(128.17)	(101.48)	(72.11)	(54.94)
Net Block	155.86	156.28	162.60	168.53	91.83
Capital Work In Progress					
Total (a)	**155.86**	**156.28**	**162.60**	**168.53**	**91.83**
B INTANGIBLE ASSETS					
Gross Block	596.51	596.51	596.51	596.51	596.51
Less : Amortisation	(579.93)	(493.50)	(407.07)	(320.63)	(234.20)
Net Block	16.58	103.01	189.44	275.88	362.31
Net Block					
Total (b)	16.58	103.01	189.44	275.88	362.31
Total (a+b)	**172.44**	**259.30**	**352.05**	**444.41**	**454.14**
C INVESTMENTS	**7.60**	**1.03**	**61.53**	**61.53**	**50.71**
D DEFERRED TAX ASSET	29.69	-	-		
E CURRENT ASSETS, LOANS & ADVANCES					
Work in Progress (Inventories)	2,445.86	1,540.27	426.94	152.55	175.95
Sundry Debtors	1,514.60	273.63	459.20	127.53	110.75
Cash & Bank Balances	370.47	322.41	384.17	338.43	189.59
Loans & Advances	2,662.90	2,741.65	2,999.37	883.53	780.66
Other Current Assets	-	-	-	-	-
Total	**6,993.82**	**4,877.96**	**4,269.68**	**1,502.04**	**1,256.95**
F LIABILITIES AND PROVISIONS					
Secured Loans	1,033.85	831.03	527.84	227.51	183.56
Unsecured Loans	5.36	169.61	15.31	15.64	15.31
Deferred Tax Liability		6.61	30.04	27.37	50.35
Current Liabilities	2,738.41	1,811.87	2,771.84	693.27	754.75
Provisions	372.93	316.86	45.70	45.28	62.26
Total	**4,150.55**	**3,135.98**	**3,390.72**	**1,009.07**	**1,066.23**
G NET WORTH (A + B + C+D+E-F)	**3,053.01**	**2,002.30**	**1,292.54**	**998.92**	**695.57**
Net Worth Represented by					
Equity Share Capital	822.00	41.10	41.10	41.10	41.10
Preference Share Capital					
Reserve & Surplus	2,231.01	1,961.20	1,251.44	957.82	654.48
Less : Miscellaneous Expenses Not W/off		-	-	-	-
H NET WORTH	**3,053.01**	**2,002.30**	**1,292.54**	**998.92**	**695.58**

Summary Statement of Standalone Profit and Loss, as Restated

(` In Lakhs)

Particulars	Year Ended				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Income					
Income from Operations	12,689.04	11,319.90	6,221.08	2,745.51	3,656.05
Income from Trading Activity	-	-	-	-	-
Other Income	123.87	178.17	138.56	38.52	16.49
Total Income	**12,812.91**	**11,498.07**	**6,359.65**	**2,784.03**	**3,672.55**
Expenditure					
Construction Expenses	10,773.16	10,199.10	5,775.17	2,233.84	3,132.43
Payment & Provision for Employees	63.31	34.74	23.32	33.46	34.95
Administrative & Other Expenses	342.59	107.85	43.84	48.61	32.24
Directors remuneration & allowances	19.05	8.18	7.54	16.20	16.75
Financial Charges	156.93	104.62	40.93	26.64	34.77
Depreciation & Amortization	246.91	269.04	271.63	260.02	253.80
Total Expenditure	**11,601.96**	**10,723.53**	**6,162.42**	**2,618.77**	**3,504.92**
Profit Before Tax and extraordinary items	**1,210.95**	**774.53**	**197.22**	**165.27**	**167.62**
Add / (Less): Extraordinary Items	(26.51)	-	-		-
Add / (Less) : Transfer from Revaluation Reserve	134.78	179.71	179.71	180.20	179.71
Profit Before Tax and after extraordinary items	**1,319.22**	**954.24**	**376.93**	**345.47**	**347.33**
Add / (Less) : Taxation / Provision for Tax					
Current Tax	(355.00)	(218.10)	(33.50)	(48.00)	(58.10)
Earlier Years	-	(8.33)	(8.35)	(0.20)	(0.33)
Deferred Tax Liability / (Assets)	4.46	20.89	(41.11)	14.06	-
Profit After Tax and extraordinary items as per Audited Accounts (A)	**968.68**	**748.70**	**293.98**	**311.33**	**288.89**
Impact of Change in Accounting Policies and Estimates	56.37	(33.13)	(38.78)	(25.06)	(26.04)
Earlier Year Taxation Provisions	-	(8.33)	(0.02)	8.15	(0.14)
Deferred Tax Impact	25.74	2.00	38.89	8.89	(9.13)
Total Adjustments net of tax impact	**82.11**	**(39.45)**	**0.10**	**(8.02)**	**(35.30)**
Net Profit as restated	**1,050.79**	**709.25**	**294.07**	**303.31**	**253.59**
Surplus/(Deficit) brought forward from previous years	1,816.21	1,106.96	812.89	509.58	255.98
Balance available for appropriations, as restated	**2,867.00**	**1,816.21**	**1,106.96**	**812.89**	**509.58**
Appropriation		-	-	-	-
Transfer to Bonus	636.00	-	-	-	-
Balance Carried forward as restated	**2,231.00**	**1,816.21**	**1,106.96**	**812.89**	**509.58**

Summary Statement of Standalone Cash Flow Statement, as Restated

(` In Lakhs)

Particulars	Year Ended				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before taxation and extraordinary items	1,375.59	912.78	338.14	328.55	321.15
Adjustment for:					
Depreciation & Amortization	112.12	113.13	115.80	103.61	98.14
Finance Charges/Interest (Net)	156.93	104.62	40.93	26.64	34.77
Interest Received.	(12.52)	(26.25)	(54.98)	(15.72)	(7.64)
Cash generated from operations before working capital changes	**1,632.12**	**1,104.28**	**439.88**	**443.07**	**446.42**
Increase/Decrease in trade receivables	(1,240.97)	185.57	(331.67)	(16.78)	57.24
Increase/ Decrease in loans & advances	78.75	257.72	(2,115.84)	(102.86)	(155.81)
Increase/Decrease in inventories	(905.59)	(1,113.33)	(274.39)	23.40	687.73
Increase/Decrease in trade payables & Others	982.61	(688.81)	2,078.99	(78.46)	(584.63)
Cash Generated from Operations	**546.92**	**(254.56)**	**(203.02)**	**268.36**	**450.96**
Direct tax Paid	361.20	226.43	41.85	48.20	58.43
Net Cash Flow before extraordinary items	**185.72**	**(480.99)**	**(244.87)**	**220.17**	**392.52**
Extraordinary Items	-	-	-	-	-
Net Cash from/ (used in) Operating Activities	**185.72**	**(480.99)**	**(244.87)**	**220.17**	**392.52**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets	(25.27)	(20.38)	(23.43)	(93.88)	(51.31)
Investment in subsidiary	(6.57)	-	-	-	-
Sale of investment in subsidiary	-	60.50	-	(10.82)	(50.70)
Proceeds from sale of fixed assets	-	-	-	-	-
Profit / (Loss) of fixed asset	-	-	-	-	-
Interest Received	12.52	26.25	54.98	15.72	7.64
Net Cash from/ (used in) Investing Activities	**(19.32)**	**66.37**	**31.55**	**(88.98)**	**(94.36)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Secured loans	202.83	303.19	300.33	43.95	-
Proceeds from Unsecured loans	(164.25)	154.30	(0.33)	-	-
Repayment of Secured Loans	-	-	-	-	(172.31)
Repayment of Unsecured Loans	-	-	-	0.33	0.15
Finance Charges paid	(156.93)	(104.62)	(40.93)	(26.64)	(34.77)
Dividend Paid		-			
Net Cash from/ (used in)Financial Activities	**(118.36)**	**352.87**	**259.06**	**17.64**	**(206.93)**
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	**48.05**	**(61.74)**	**45.74**	**148.83**	**91.23**
OPENING BALANCE IN CASH AND CASH EQUIVALENTS	**322.42**	**384.17**	**338.42**	**189.59**	**98.36**
CLOSING BALANCE IN CASH AND CASH EQUIVALENTS	**370.47**	**322.42**	**384.17**	**338.42**	**189.59**
Components of Cash & Cash Equivalents					
- Cash in hand	16.96	65.47	5.80	6.80	11.95
- Bank Balance with Schedule and Non Schedule Banks	212.57	136.34	78.54	85.31	61.89
-Balance with bank on deposit account	140.94	120.62	299.83	246.32	115.76
CASH AND CASH EQUIVALENTS	370.47	322.43	384.17	338.43	189.60

Summary Statement of Consolidated Assets and Liabilities, as Restated

(` In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
A TANGIBLE ASSETS				
Fixed Assets				
Gross Block	446.34	332.77	303.21	247.57
Less Accumulated Depreciation	(193.76)	(138.86)	(105.95)	(72.65)
Total	**252.58**	**193.91**	**197.26**	**174.91**
B INTANGIBLE ASSETS				
Gross Block	596.51	596.51	596.51	596.51
Less Amortisation	(579.93)	(493.50)	(407.07)	(320.63)
Total	**16.58**	**103.01**	**189.44**	**275.88**
Total (A+B)	**269.16**	**296.92**	**386.70**	**450.79**
C INVESTMENTS	**0.01**	**0.01**	**60.51**	**60.51**
D DEFERRED TAX ASSET	**(21.20)**	-	-	-
E CURRENT ASSETS, LOANS & ADVANCES				
Inventories	2,445.86	1,749.70	620.12	152.83
Sundry Debtors	1,443.09	273.63	486.55	89.80
Cash & Bank Balances	387.28	349.69	405.77	358.85
Loans & Advances	2,842.15	2,842.48	3,156.71	886.76
Total	**7,118.38**	**5,215.51**	**4,669.15**	**1,488.24**
F LIABILITIES AND PROVISIONS				
Secured Loans	1,061.38	832.14	530.49	230.92
Unsecured Loans	12.55	188.61	15.31	15.64
Deferred Tax Liability	-	7.07	30.07	27.47
Current Liabilities	2,438.87	1,994.59	3,108.17	673.19
Provisions	425.09	351.29	74.42	46.30
Total	**3,937.90**	**3,373.71**	**3,758.46**	**993.52**
G MINORITY INTEREST	**211.50**	**67.62**	**32.64**	**4.13**
H NET WORTH (A + B + C + D + E - F - G)	**3,216.95**	**2,071.10**	**1,325.27**	**1,001.89**
Net Worth Represented by				
Equity Share Capital	822.00	41.10	41.10	41.10
Reserve & Surplus	2,394.96	2,030.00	1,284.17	960.79
I NET WORTH	**3,216.96**	**2,071.10**	**1,325.27**	**1,001.89**

Summary Statement of Consolidated Profit and Loss, as Restated

(` In Lakhs)

Particulars	As At			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Income				
Income From Operations	12,691.45	11,340.58	6,423.17	2,639.96
Other Income	214.13	249.63	139.05	38.70
Total Income	**12,905.57**	**11,590.20**	**6,562.22**	**2,678.65**
Expenditure				
Construction Expenses	10,528.47	10,122.28	5,753.07	2,073.71
Payment & Provision for Employess	99.40	44.03	45.22	50.76
Administrative & Other Expenses	392.05	155.60	156.15	76.55
Selling & Distribution Expenses	69.29	7.59	8.41	16.14
Financial Charges	158.26	105.67	41.31	26.75
Depreciation & Amortization	263.99	276.32	275.66	260.56
Total Expenditure	**11,511.46**	**10,711.50**	**6,279.82**	**2,504.48**
Profit Before Tax and extraordinary items	**1,394.12**	**878.70**	**282.40**	**174.17**
Add / (Less) : Extraordinary Items/Prior Period	(26.51)	-	-	-
Add / (Less) : Transfer from revaluation reserve	134.78	179.71	179.71	180.20
Profit Before Tax and after extraordinary items	**1,502.39**	**1,058.41**	**462.11**	**354.37**
Add/ (Less) : Taxation / Provision for Tax		-	-	-
Current Tax	(412.73)	(248.72)	(43.94)	(50.41)
Earlier Years	(36.42)	(25.32)	(8.35)	(0.20)
Deferred Tax Liability/ (Assets)	4.83	20.89	(41.11)	14.06
Profit After Tax and extraordinary items as per Audited Accounts (A)	**1,058.07**	**805.26**	**368.72**	**317.83**
Less: Minority Interest	60.92	34.99	28.50	3.15
Profit After Tax and minority interest as per Audited Accounts (B)	**997.15**	**770.27**	**340.21**	**314.67**
Impact of Change in Accounting Policies and Estimates	91.29	(33.13)	(38.78)	(25.06)
Excess/(Short) Provision for Taxation	1.49	7.11	(17.01)	8.15
Deferred Tax Impact	(25.24)	1.58	38.96	8.79
Misc. Exp. Written Off.	(0.09)	-	-	(0.24)
Total Adjustments net of tax impact	**67.45**	**(24.44)**	**(16.83)**	**(8.36)**
Net Profit as Restated (C)	1,064.59	745.84	323.38	306.31
Surplus/(Deficit) brought forward from previous years	1,885.11	1,139.27	815.89	509.58
Balance Carried forward as restated	**2,949.70**	**1,885.11**	**1,139.27**	**815.89**

Summary Statement of Consolidated Cash Flow Statement, as Restated

(` In Lakhs)

Particulars	Year Ended			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before taxation and extraordinary items as restated	1,508.91	997.41	377.82	337.70
Adjustment for :	-	-	-	-
Depreciation & Amortization	141.33	119.34	119.73	104.24
Finance Charges/Interest (Net)	158.26	105.67	41.31	26.75
Interest Received	-	-	-	-
Cash generated from operations before working capital changes	**1,808.51**	**1,222.42**	**538.85**	**468.68**
Increase/Decrease in trade receivables	(1,169.46)	212.92	(396.75)	20.95
Increase/ Decrease in loans & advances	0.33	314.23	(2,269.95)	(106.10)
Increase/Decrease in Inventories	(696.16)	(1,129.58)	(467.29)	23.12
Increase/Decrease in trade Payables & Others	444.28	(1,113.58)	2,434.98	(81.56)
Increase/Decrease in Provisions	73.80	276.87	28.12	(21.02)
Cash Generated from/ (used in) Operations	**461.30**	**(216.72)**	**(132.04)**	**304.08**
Direct tax Paid	(455.93)	274.57	51.84	52.50
Net Cash Flow before extraordinary items	5.37	(491.29)	(183.88)	251.58
Extraordinary Items	-	-	-	-
Net Cash from/ (used in) Operating Activities	**5.37**	**(491.29)**	**(183.88)**	**251.58**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets/Intangible Assets	(113.57)	(29.57)	(55.64)	(100.80)
Sale of investment in subsidiary	-	60.50	-	-
Purchase of Investment (NET)	-	-	-	(9.80)
Net Cash from/ (used in) Investing Activities	**(113.57)**	**30.93**	**(55.64)**	**(110.60)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Secured loans	229.24	301.66	299.57	154.14
Proceeds from Unsecured loans	(176.06)	173.30	(0.33)	
Repayment of Unsecured Loans		-	-	(106.46)
Finance Charges paid	(158.26)	(105.67)	(41.31)	(26.75)
Minority Interest (Net)	225.64	34.99	28.50	4.13
Net Cash from/ (used in) Financing Activities	**120.55**	**404.28**	**286.44**	**25.07**
NET INCREASE /(-) DECREASE IN CASH AND CASH EQUIVALENTS	**12.35**	**(56.08)**	**46.91**	**166.06**
OPENING BALANCE IN CASH AND CASH EQUIVALENTS	**349.69**	**405.77**	**358.85**	**192.80**
CLOSING BALANCE IN CASH AND CASH EQUIVALENTS	**387.28**	**349.69**	**405.77**	**358.85**
Components of Cash & Cash Equivalents		-	-	-
- Cash in hand	25.68	83.57	7.94	14.96
- Bank Balance with Schedule and Non Schedule	220.66	145.52	97.99	97.57
-Balance with bank on deposit account	140.94	120.61	299.83	246.32
CASH AND CASH EQUIVALENTS	387.28	349.70	405.77	358.85

THE ISSUE

The Issue	[●] Equity Shares aggregating `6,000lakhs
Of which	
A)QIB Portion[(1)]	Not more than [●] Equity Shares
Of which	
Available for allocation to Mutual Funds only (5% of the QIB Portion)	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B)Non-Institutional Portion[(1)]	Not less than [●] Equity Shares
C) Retail Portion[(1)]	Not less than [●] Equity Shares
Equity Shares outstanding prior to the Issue	[●] Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of the Proceeds of the Issue	See the chapter titled "*Objects of the Issue"* on page 70 of the Red Herring Prospectusfor information about use of the

Allocation to all categories shall be made on a proportionate basis.

[(1)]*Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the QIB Portion, the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill-over from other category or a combination of categories, at the discretion of the Company, in consultation with the BRLM and the Designated Stock Exchange.*

GENERAL INFORMATION

Prakash Constrowell Limited is an infrastructure construction company. The foundation of our business was laid way back in 1978 by our promoter Mr. Prakash P. Laddha in the name of Prakash Builders, a proprietary concern. Later in the year 1996 Prakash Constrowell Private Limited was formed *vide* Certificate of Incorporation dated January 4, 1996 to take over the business of erstwhile proprietary concern Prakash Builders. The Company was eventually converted to public limited company *vide* fresh Certificate of Incorporation dated January 5, 2011. For details on changes in the name and registered office of the Company, please refer the chapter titled *"History and Certain Corporate Matters"* on page 146 of the Red Herring Prospectus. The Company is primarily involved in the business of construction and infrastructure development. For further details of the business of the Company, please refer the chapter titled *"Business Overview"* on page 114 of the Red Herring Prospectus.

Registered Office

Prakash Constrowell Limited
6/7 Falcon Plaza,
National Urdu High School Road,
Near Sarda Circle, Nasik – 422001
Maharashtra, India.
Tel: +91 (0)253 2590725
Fax: +91 (0)253 2597720
Email: info@pclnsk.com
Website: www.pclnsk.com
Registration No.: 11-95941 of 1996
Corporate Identification No.:U45200MH1996PLC095941

Registrar of Companies

Registrar of Companies, Mumbai
Everest, 5th Floor,
100 Marine Drive,
Mumbai – 400002,
Maharashtra,
India.

Our Board of Directors

Our Board of Directors as on the date of filing of the Red Herring Prospectus with SEBI is as follows:

Sr. No.	Names of the Directors	Age	Designation	DIN No.
1.	Mr. Prashant P. Sarda	44	Non Executive Chairman	00126888
2.	Mr. Krishnan G. Trichur	74	Managing Director	00126759
3.	Mr. Prakash P. Laddha	56	Whole-time Director	00126825
4.	Mr. Vijaygopal P. Atal	49	Non Executive Director	00126667
5.	Mr. Suresh G. Sarda	52	Non Executive Director	00126625
6.	Mr. Sharad R. Karwa	46	Non Executive Director	00126801
7.	Mr. Jayant V. Phalake	75	Non Executive & Independent Director	00332887
8.	Mr. Nagesh W. Mendhekar	62	Non Executive & Independent Director	03146096
9.	Mr. Hemant M. Rathi	50	Non Executive & Independent Director	00175854

For a detailed profile of our Board of Directors, please refer the chapter titled *"Our Management*" beginning on page 158 of the Red Herring Prospects.

Company Secretary

Mrs. Megha Bhattad,
6/7 Falcon Plaza,

National Urdu High School Road,
Near Sarda Circle, Nasik – 422001
Maharashtra, India.
Tel: +91 (0)253 2590725
Fax: +91 (0)253 2597720
Email: info@pclnsk.com

Compliance Officer

Mr. Vipul Dileep Lathi,
6/7 Falcon Plaza,
National Urdu High School Road,
Near Sarda Circle, Nasik – 422001
Maharashtra, India.
Tel: +91 (0)253 2590725
Fax: +91 (0)253 2597720
Email: info@pclnsk.com

Investors may contact the Compliance Officer and / or the Registrar to the Issue and / or the Book Running Lead Manager to the Issue i.e. Mr. Vipul Dileep Lathi and / or Bigshare Services Private Limited and / or Intensive Fiscal Services Private Limited respectively for any pre-Issue / post-Issue related matter such as non-receipt of letters of allotment / share certificates / refund orders, credit of allotted Equity Shares in the respective beneficiary account, etc.

Book Running Lead Manager to the Issue

Intensive Fiscal Services Private Limited
131, C Wing,
Mittal Tower, 13 th Floor,
Nariman Point, Mumbai – 400 021,
Maharashtra, India.
Tel: +91 (0)22 2287 0443/44/45
Fax: +91 (0)22 2287 0446
Investor Grievance ID:pclipo@intensivefiscal.com
Website: www.intensivefiscal.com
Contact Person: Mr. Krishna G. Jhawar / Mr. Kevin A. Koradia
SEBI Registration Number: INM000011112

Registrar to the Issue

Bigshare Services Private Limited
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai – 400 001,
Maharashtra, India.
Tel: +91 22 4043 0200
Fax: +91 22 2847 5207
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Babu Raphael
SEBI Registration Number: INR000001385

Legal Advisor to this Issue

Hemant Sethi & Co.
302, Satnam Building, 3A,
Sion (W), Mumbai – 400022,
Maharashtra, India.
Tel: +91 22 2407 8557
Fax: +91 22 2407 9230

Email: hemant@hemantsethi.com
Website: www.hemantsethi.com
Contact Person: Mr. Hemant Sethi

Statutory Auditors of the Company

Bedmutha & Associates
Plot No.1, P 37A, Vaishakh,
Datta Mandir Trimurti Chowk,
New Nasik – 422 008,
Maharashtra, India.
Tel: +91 0253 2390393
Email: bedmuthassociates@gmail.com
Contact Person: Mr. J. B. Bedmutha.

Peer Reviewed Auditor

Anil R. Bora & Co.
Anuvihar Complex, 2nd Floor,
265, Samarth Nagar,
Above Gas Agency,
Aurangabad-431001,
Maharashtra, India.
Tel: +91 0240 2322141
Fax: +91 0240 2348598
Email: anilrbora@gmail.com
Contact Person: Mr. Anil R. Bora.

Anil R. Bora & Co. holds a peer reviewed certificate dated December 17, 2008 issued by the Institute of Chartered Accountants of India.

Bankers to the Company

Our Company has current account with the following banks.

Axis Bank Limited,
Mazda Towers,
Tryambak Naka, GPO Road,
Nasik-422 001,
Maharashtra, India.
Tel: +91 (0)253 6627497
Fax: +91 (0)253 6627498
Email: nashik_branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Arvind Paratey

Bank of Maharashtra,
Janmangal, Tilak Road,
Nasik City Branch,
Nasik-422 001,
Maharashtra, India.
Tel: +91 (0)253 2502951
Email: bom14@mahabank.co.in
Website: www.bankofmaharashtra.in
Contact Person: Mr. Vinayak Shenoy

State Bank of Hyderabad
Opp. Telephone Exchange,
Canada Corner,
Nasik-422 002,
Maharashtra, India
Tel: +91 (0)253 2311928
Fax: +91 (0)253 2573095
Email: nasik@sbhyd.co.in
Contact Person: Mr. Sunil Patil

Bankers to the Issue or Escrow Collection Bank(s)

Axis Bank Limited,
Universal Insurance Building,

ICICI Bank Limited,
Capital Markets Division,

Sir P.M. Road, Fort,
Mumbai – 400 001,
Maharashtra, India.
Tel: + 91 (0)22 66107353
Fax: +91 (0)22 22835785
Email: rajesh.khandelwal@axisbank.com
Contact Person: Mr. Rajesh Khandelwal
SEBI Registration Number: INBI00000017

30, Mumbai Samachar Marg,
Mumbai – 400 001
Maharashtra, India.
Tel: +91 (0)22 66310312/22
Fax: +91 (0)22 66310350
Email: viral.bharani@icicibank.com
Contact Person: Mr. Viral Bharani
SEBI Registration Number: INBI00000004

IndusInd Bank Limited,
Cash Management Services,
Solitaire Corporate Park,
No. 1001, Building No.10,
Gr Floor, Guru Hargovindji Marg,
Andheri (E), Mumbai – 400 093,
Maharashtra, India.
Tel: +91 (0)22 6772 3901
Fax: +91 (0)22 6772 3998
Email: suresh.esaki@indusind.com
Contact Person: Mr. Suresh Esaki
SEBI Registration Number: INBI00000002

Refund Banker

Axis Bank Limited,
Universal Insurance Building,
Sir P.M. Road, Fort,
Mumbai – 400 001,
Maharashtra, India.
Tel: + 91 (0)22 66107353
Fax: +91 (0)22 22835785
Email: rajesh.khandelwal@axisbank.com
Contact Person: Mr. Rajesh Khandelwal
SEBI Registration Number: INBI00000017

Syndicate Member(s)

Intensive Fiscal Services Private Limited
131, C Wing,
Mittal Tower, 13 th Floor,
Nariman Point, Mumbai – 400 021,
Maharashtra, India.
Tel: +91 (0)22 2287 0443/44/45
Fax: +91 (0)22 2287 0446
Email: rahul@intensivefiscal.com
Website: www.intensivefiscal.com
Contact Person: Mr. Rahul Jain
SEBI Registration Number: INM000011112

Self Certified Syndicate Banks

A list of banks that have been notified by SEBI to act as SCSBs for the ASBA Process is provided on www.sebi.gov.in/pmd/scsb.pdf. For details on Designated Branches of SCSBs collecting the ASBA Bid cum Application Form, please refer to the above mentioned SEBI website.

Statement of Inter se Allocation of Responsibilities for the Issue

Intensive Fiscal Services Private Limited is the sole Lead Manager to the Issue. Their details of responsibility are follows:

Sr. No.	Activities
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.
2.	Conducting a Due diligence of our Company's operations/management/business plans/legal documents etc. Drafting and design of the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus. Ensuring compliance with the SEBI Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges (pre-Issue), the RoC and SEBI.
3.	Primary co-ordination with SEBI, RoC and Stock Exchanges up to bidding and coordinating interface with lawyers for agreements.
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.
5.	Appointment of the Registrar(s), Bankers to the Issue and appointment of the intermediaries i.e. printers and advertising agency.
6.	Primary coordination of drafting/proofing of the design of the Prospectus, bid forms including memorandum containing salient features of the Prospectus with the printers. Primary coordination of the drafting and approving the statutory advertisement.
7.	Drafting and approving all publicity material other than statutory advertisement as mentioned in (4) above including corporate advertisement, brochure, etc.
8.	Retail & HNI segment marketing, which will cover inter alia: ▪ Preparation of road show presentation. ▪ Finalising centers for holding Brokers' conference ▪ Finalising media, marketing and PR Strategy ▪ Follow up on distribution of publicity and issue material including application form, ▪ Brochure and deciding on quantum of issue material ▪ Finalising collection centers as per schedule III of SEBI Regulations.
9.	Institutional Marketing, which will cover inter alia: ▪ Finalisation of list of investors. ▪ Finalisation of one to one meetings and allocation of institutions. ▪ Finalisation of presentation material
10.	Managing Book & co-ordination with stock Exchanges for bidding terminals, mock trading, etc.
11.	Pricing and QIB allocation.
12.	Follow – up with the Bankers to the Issue to get quick estimates of collection and advising the Issuer about closure of the Issue, based on the correct figures.
13.	The post bidding activities for the Issue will involve essential follow up steps, which include finalizing basis of allotment / weeding out of multiple applications, the listing of instruments and dispatch of certificates/demat credits or refunds and dematerialized delivery of shares with the various agencies connected with the work such as the Registrar(s) to the Issue and Bankers to the Issue, Self Certified Syndicate Banks, the bank handling refund business. The Lead Manager shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.

Credit Rating

This being an issue of Equity Shares, no credit rating is required.

IPO Grading

This Issue has been graded by CARE and has been assigned 'CARE IPO Grade 2' [Grade Two], indicating below average fundamentals through its letter dated August 22, 2011. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and an "IPO Grade 1" indicating poor fundamentals. Pursuant to SEBI Regulations, the rationale/description furnished by the credit rating agency will be updated at the time of filing the Red Herring Prospectus with the RoC.

Monitoring Agency

As this being an Issue of Equity Shares for less than ` 50,000 lakhs appointment of monitoring agency is not mandatory as per SEBI (ICDR) Regulations 2009. Our Board will monitor the use of proceeds of this Issue as per clause 49 of the Listing Agreement.

Experts

Except for the report provided by the IPO Grading Agency (a copy of which will be annexed to the Red Herring Prospectus), furnishing the rationale for its grading and except for the reports of the Statutory Auditor of our Company on the Audited Financial Statements and the Statement of Tax Benefits, our Company has not obtained any expert opinions.

Debenture Trustee

Since this is not a debenture issue, appointment of debenture trustee is not required.

Appraising Entity

The present issue is not being appraised by any appraising agency.

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by the Company, in consultation with the BRLM, and advertised at least two working days prior to the Bid/ Issue Opening Date. The Issue Price is finalised after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company;
2. Book Running Lead Manager, in this case being Intensive Fiscal Services Private Limited;
3. Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with BSE/ NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLM;
4. Self Certified Syndicate Bank(s);
5. Escrow Collection Bank(s); and
6. Registrar to the Issue.

This Issue is being made through the 100.00% Book Building Process in accordance with SEBI (ICDR) Regulation 2009 wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIB Bidders. 5.00% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15.00% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

The Company will comply with the SEBI (ICDR) Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, the Company has appointed the BRLM to manage the Issue and procure subscriptions to the Issue.

In accordance with the SEBI Regulations, QIB Bidders are not allowed to withdraw their Bids after the Bid/ Issue Closing Date. For further details, please refer the chapter titled *"Terms of the Issue"* on page 278 of the Red Herring Prospectus.

The Book Building Process under the SEBI Regulations is subject to change from time to time and investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialised form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Illustration of the Book Building Process and Price Discovery Process

Investors should note that this example is solely for illustrative purposes and is not specific to the Issue.

Bidders can bid at any price within the price band. For instance, assume a price band of ` 20 to ` 24 per equity share, offer size of 3,000 equity shares and receipt of five bids from bidders out which one bidder has bid for 500 equity shares at ` 24 per equity share while another has bid for 1,500 equity shares at ` 22 per equity share. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book given below shows the demand for the shares of a company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (`)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the company is able to offer the desired number of shares is the price at which the book cuts off, i.e., ` 22 in the above example. The company in consultation with the BRLM will finalise the issue price at or below such cut-off price, i.e., at or below ` 22. All bids at or above the issue price and cut-off price are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

- Check eligibility for bidding (please refer paragraph on *"Who Can Bid"* on page 289 in the chapter titled *"Issue Procedure"* beginning on page 287 of the Red Herring Prospectus);
- Bidders should ensure that they have an active DEMAT account and the DEMAT account details are correctly mentioned in the Bid cum Application form or the ASBA Bid cum Application form, as the case may be;
- Except for Bids on behalf of the Central or State Governments and the officials appointed by the courts, for Bids of all values, ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application form or the ASBA Bid cum Application form, as applicable. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (please refer the chapter titled *"Issue Procedure"* on page 287 of the Red Herring Prospectus). However, Bidders residing in the State of Sikkim are exempted from the mandatory requirement of PAN. The exemption is subject to the Depository Participant's verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address;
- Ensure that the Bid cum Application form or ASBA Bid cum Application form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid Cum Application form or ASBA Bid cum Application form, respectively;
- Ensure the correctness of your demographic details given in the Bid cum Application form or the ASBA Bid cum Application form, with the details recorded with your Depository Participants;
-
- ASBA Bidders will have to submit their Bids (physical form) to the Designated Branches or to the members of the Syndicate at the Syndicate ASBA Bidding Locations (meaning Bidding centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru,

Hyderabad, Pune, Vadodara and Surat where the members of the Syndicate shall accept Bid cum Application Forms in terms of the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011). ASBA Bidders should ensure that the ASBA Account has adequate credit balance at the time of submission of the ASBA Bid cum Application form to the SCSB to ensure that the Bid is not rejected.

Withdrawal of the Issue

In accordance with the SEBI Regulations, the Company, in consultation with Book Running Lead Manager, reserves the right not to proceed with this Issue anytime after the Bid /Issue Opening Date, without assigning the reasons therefore. However, if the Company withdraws the Issue after the Bid Closing Date, it shall give the reason thereof within two days of the Bid /Issue Closing Date by way of a public notice which shall be published within two days of the Bid /Issue Closing Date in the same newspapers where the pre-Issue advertisement was published. Further, the Stock Exchanges shall be informed promptly in this regard and the BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of such notification.

In the event of withdrawal of the Issue anytime after the Bid/Issue Closing Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

In the event of withdrawal of the Issue and subsequently, plans of an IPO by the Company, a Draft Red Herring Prospectus will be submitted again for observations of SEBI.

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the filing of the Prospectus with the RoC, the Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered and sold in the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded by the Underwriters including through its Syndicate/ Sub Syndicate. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

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

Name and Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (`In Lakhs)
[●]	[●]	[●]

The above mentioned amount is indicative underwriting and this would be finalised after determination of the Issue Price and actual allocation. The above underwriting is pursuant to the Underwriting Agreement dated [●].

In the opinion of the Board of Directors (based on the certificates given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The

Board of Directors, at its meeting held on [●], has authorised the execution and delivery of the Underwriting Agreement mentioned above on behalf of the Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the table above, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to the Equity Shares allocated to the investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/ subscribe to Equity Shares to the extent of the defaulted amount.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of the Red Herring Prospectus is set forth below:

(` In lakhs)

Sr. No.	Particulars	Aggregate value at Nominal Value	Aggregate value at Issue Price
1.	**Authorised Share Capital**		
	1,50,00,000 Equity Shares of `10/- each	1,500.00	
2.	**Issued, Subscribed and Paid-Up Capital**		
	82,20,000 Equity Shares of ` 10/- each	822.00	
3.	**Present Issue to the Public in terms of the Red Herring Prospectus #**		
	[●] Equity Shares of ` 10/- each at a premium of ` [●] per share	[●]	6,000.00
4.	**Paid up Capital after the Issue**		
	[●] Equity Shares of ` 10/- each fully paid up	[●]	[●]
5.	**Share Premium Account**		
	Before the Issue	Nil	
	After the Issue*	[●]	

*The share premium account shall be determined after the Book - building process.

The present Issue has been authorized by the Board of Directors in their meeting dated January 5, 2010 and by the shareholders of our Company at the EOGM dated January 29, 2011.

Details of increase in the Authorised Capital of Our Company:

Sr. No.	Date of Resolution	Particulars of Increase
1.	On Incorporation	5,000 Equity Shares of ` 100/- each aggregating to ` 5 lakhs.
2.	March 25, 1998	Increased from 5,000 Equity Shares of ` 100/- each aggregating to ` 5 lakhs to 15,000 Equity Shares of ` 100/- each aggregating to ` 15 lakhs.
3.	March 24, 2001	Increased from 15,000 Equity Shares of ` 100/- each aggregating to ` 15 lakhs to 25,000 Equity Shares of ` 100/- each aggregating to ` 25 lakhs.
4.	May 9, 2004	Increased from 25,000 Equity Shares of ` 100/- each aggregating to ` 25 lakhs to 50,000 Equity Shares of ` 100/- each aggregating to ` 50 lakhs.
5.	December 8, 2010	50,000 Equity Shares of ` 100/- each aggregating to ` 50 lakhs sub-divided into 5,00,000 Equity Shares of ` 10/- each aggregating to ` 50 lakhs.
		Increased from 5,00,000 Equity Shares of ` 10/- each aggregating to ` 50 lakhs to 1,50,00,000 Equity Shares of ` 10/- each aggregating to ` 1,500 lakhs.

NOTES TO THE CAPITAL STRUCTURE

1. **Share Capital History of our Company**

Our present Equity Capital has been built up as follows:

Date of Allotment	No. of Equity Shares	Face Value per Equity Share (`)	Issue Price per Equity Share (`)	Nature of Consideration (Cash, bonus, other than cash)	Reason for allotment/ Allotment made to	Cumulative No. of Equity Shares	Cumulative Paid – up Share Capital (`)	Cumulative Share Premium (`)
December 8, 1995	20	100	100	Cash	Initial Subscription to MOA (1)	20	2,000	Nil
April 3, 1996	4,980	100	100	Cash	Allotment to Promoters & others (2)	5,000	5,00,000	Nil
March 31, 1998	10,000	100	100	Cash	Allotment to one of the Promoters & others (3)	15,000	15,00,000	Nil
March 31, 2001	10,000	100	100	Cash	Allotment to one of the Promoters & others (4)	25,000	25,00,000	Nil
March 31, 2005	16,100	100	1,000	Cash	Allotment to others (5)	41,100	41,10,000	1,44,90,000
December 29, 2010	The equity shares had been subdivided from face value of ` 100 each to face value of ` 10 per equity share					4,11,000	41,10,000	1,44,90,000
December 29, 2010	78,09,000	10	-	Bonus issue in the ratio of 19 Equity Shares for each Equity Share held on the record date.	Allotment to Promoters & others (6)	82,20,000	8,22,00,000	Nil

(1) Initial Subscriber's to Memorandum of Association Mr. Prakash P. Laddha and Mr. Suresh G. Sarda were each allotted 10 Equity Shares of `100/- *fully paid up.*

(2) The Company allotted 4,980 Equity Shares of `100/- each comprising of 440 shares to Mr. Prakash P. Laddha, 450 shares to Mrs. Aruna P. Laddha, 450 shares to Ms. Rachita P. Laddha, 450 shares to Ms. Prachi P. Laddha, 450 shares to Mr. Tarachand L. Rathi, 450 shares to Mrs. Rukmini T. Rathi, 440 shares to Suresh G. Sarda, 450 shares to Mr. Sharad R. Karwa, 450 shares to Mr. Vijaygopal P. Atal, 450 shares to Mr. Prashant P. Sarda, 200 shares to Mrs. Vaishali S. Karwa, 300 shares to Mrs. Surekha H. Boob.

(3) The Company allotted 10,000 Equity Shares of `100/- comprising of 2,000 to Mr. Prakash P. Laddha, 2,000 shares to Mr. Suresh G. Sarda, 2,000 shares to Mr. Vijaygopal P. Atal, 2,000 shares to Mr. Sharad R. Karwa, 2,000 to Mr. Prashant P. Sarda.

(4) The Company allotted 10,000 Equity Shares of `100/- comprising of 2,000 to Mr. Prakash P. Laddha, 2,000 shares to Mr. Suresh G. Sarda, 2,000 shares to Mr. Vijaygopal P. Atal, 2,000 shares to Mr. Sharad R. Karwa, 2,000 to Mr. Prashant P. Sarda.

(5) The Company allotted 16,100 Equity Shares of `100/- comprising of 8,050 shares to Ms. Rachita P. Laddha, 8,050 shares to Ms. Prachi P. Laddha.

(6) The Company allotted 78,09,000 Equity Shares of `10/- as fully paid bonus shares to the existing shareholders on the record date, December 28, 2010; by utilising the following reserves of our company:

a. Securities Premium: ` 1,44,90,000/-
b. General Reserve: ` 6,36,00,000/-

2. **Equity Shares allotted for consideration other than cash**

Date of Allotment	No. of Equity Shares Issued	Face Value (`)	Issue Price (`)	Reasons for Allotment	Person to whom equity shares	Benefits to the Company
December 29, 2010	39,90,000	10	-	Bonus issue in the ratio of 19 Equity Shares for each Equity Share held as on the record date.	Mr. Prakash P. Laddha	NA
	35,91,000	10	-		Mrs. Aruna P. Laddha	
	38,000	10	-		Mr. Suresh G. Sarda	
	38,000	10	-		Mr. Sharad R. Karwa	
	38,000	10	-		Mr. Vijaygopal P. Atal	
	38,000	10	-		Mr. Prashant P. Sarda	
	38,000	10	-		Mrs. Rachita R. Mehta	
	38,000	10	-		Ms. Prachi P. Laddha	
Total	**78,09,000**					

3. **Promoter Capital Build-Up**

The Equity Shares held by the Promoters were acquired/ allotted in the following manner:

a. Details of build-up of shareholding of Promoters:

Date of Allotment / Transfer / Acquisition	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (`)	Issue / Acquisition Price	Consideration (Cash/ bonus/ kind etc.)	Nature of Transaction	Lock-in Period (Years)
Mr. Prakash P. Laddha							
December 8, 1995	10	10	100	100	Cash	Subscriber to MoA	[●]
April 3, 1996	440	450	100	100	Cash	Fresh Issue	[●]
March 31, 1998	2,000	2,450	100	100	Cash	Fresh Issue	[●]
March 31, 2001	2,000	4,450	100	100	Cash	Fresh Issue	[●]
March 31, 2003	(2,000)	2,450	100	100	Cash	Transfer(1)	[●]
March 21, 2007	27,550	30,000	100	100	Cash	Transfer(2)	[●]
December 19, 2009	(9,039)	20,961	100	100	Cash	Transfer(3)	[●]
April 19, 2010	39	21,000	100	100	Cash	Transfer(4)	[●]
December 29, 2010	Nil	2,10,000	10	Subdivision			
December 29, 2010	39,90,000	42,00,000	10	-	Bonus	Bonus Issue	[●]
Total (A)		**42,00,000**					
Mrs. Aruna P. Laddha							
April 3, 1996	450	450	100	100	Cash	Fresh Issue	[●]
March 21, 2007	9,417	9,867	100	100	Cash	Transfer(5)	[●]
December 19, 2009	9,039	18,906	100	100	Cash	Transfer(6)	[●]
April 19, 2010	(6)	18,900	100	100	Cash	Transfer(7)	[●]

Date of Allotment / Transfer / Acquisition	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (`)	Issue / Acquisition Price	Consideration (Cash/ bonus/ kind etc.)	Nature of Transaction	Lock-in Period (Years)
December 29, 2010	Nil	1,89,000	10	Subdivision			
December 29, 2010	35,91,000	37,80,000	10	-	Bonus	Bonus Issue	[●]
Total (B)		**37,80,000**					
Total (A+B)		**79,80,000**					

(1) Transfer of an aggregate number of 2,000 Equity shares from Mr. Prakash P. Laddha to Prakash P. Laddha (HUF).

(2) Transfer of an aggregate number of 27,550 Equity shares to Mr. Prakash P. Laddha from; Mr. Suresh Sarda 2,450 shares, Mr. Sharad Karwa 2,450 shares, Mr. Vijaygopal Atal 4,450 shares, Mr. Prashant Sarda 2,450 shares, Prakash P. Laddha (HUF) 2,000 shares, Suresh G. Sarda (HUF) 2,000 shares, Sharad R. Karwa (HUF) 2,000 shares, Prashant P. Sarda (HUF) 2,000 shares & Mrs. Rachita R. Mehta 7750 shares.

(3) Transfer of an aggregate number of 9,039 Equity shares to Mrs. Aruna P. Laddha from Mr. Prakash P. Laddha.

(4) Transfer of an aggregate number of 39 Equity shares to Mr. Prakash P. Laddha from; Mrs. Rachita Mehta 17 shares, Ms. Prachi Laddha 16 shares & Mrs. Aruna Laddha 6 shares.

(5) Transfer of an aggregate number of 9,417 Equity shares to Mrs. Aruna P. Laddha from; Ms. Rachita P. Laddha 133 shares, Ms. Prachi P. Laddha 7,884 shares, Mr. Tarachand Rathi 450 shares, Mrs. Rukmini Rathi 447 shares, Mrs. Vaishali Karwa 200 shares, Mrs. Surekha H. Boob 300 shares, Mr. Hemant B. Laddha 1 share, Mr. Prakash Mundada 1 share, Ramnarayan Karwa (HUF) 1 share.

(6) Transfer of an aggregate number of 9,039 Equity shares from Mr. Prakash P. Laddha to Mrs. Aruna P. Laddha.

(7) Transfer of an aggregate number of 6 Equity shares from Mrs. Aruna P. Laddha to Mr. Prakash Laddha

b. Details of Promoters Contribution locked-in for three (3) years

Pursuant to the Regulation 36 (a) of SEBI (ICDR) Regulations, an aggregate of 20% of the post-Issue shareholding of the Promoters shall be locked-in for a period of three (3) years. The details of such lock-in are given below:

Date of Allotment / Transfer / Acquisition	Date when made fully paid up	Nature of Allotment	No. of Equity Shares	Face Value (`)	Issue / Acquisition Price	Consideration (Cash/ bonus/ kind etc.)	% of Pre-Issue paid up capital	% of Post Issue Paid up Capital
Mr. Prakash P. Laddha								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Mrs. Aruna P. Laddha								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total			**[●]**				**[●]**	[●]

(The aforesaid table will be finalized after the Issue Price and the numbers of shares to be issued are finalized in the Prospectus.)

We confirm that the minimum Promoters' contribution of 20% which is subject to lock-in for three years does not consist of:

(i) equity shares acquired in past three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction; or

(ii) equity shares resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum promoters' contribution during the period of last three years;

(iii) equity shares acquired by promoter during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Issue;

(iv) equity Shares forming a part of promoter's contribution have not been issued to our Promoters on conversion of a partnership firm into a limited company.

(v) equity Shares held by the Promoters and offered for minimum 20% Promoters' contribution are not subject to any pledge.

The Promoters contribution has been brought in to the extent of not less than the specified minimum amount and from the person defined as Promoters under the SEBI (ICDR) Regulations. 20% of the post-Issue paid-up equity share capital, as determined after the book-building process from the above mentioned Promoters would be locked-in for a period of three years from the date of allotment in the present Issue and the balance Pre-Issue Paid-up Equity Share Capital would be locked-in for a period of one year from the date of allotment in the present Issue.

c. Details of share capital locked-in for one (1) year

In terms of Regulation 36 of the SEBI Regulations, in addition to the lock-in of 20 % of the post issue capital of promoters for three years, as specified above, the entire pre-issue Equity Share capital of our Company constituting [●] Equity Shares will be locked in for a period of one year from the date Allotment in the Issue.

We confirm that the specific written consents have been obtained from our Promoters for inclusion of their shares for computation of minimum Promoters contribution subject to lock-in. The number of such Equity Shares will be calculated post allotment pursuant to the Issue and locked in accordingly.

The Promoter has given an undertaking to the effect that he shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoters' contribution from the date of filing the Red Herring Prospectus till the date of commencement of lock-in in accordance with ICDR Regulations, 2009.

Shares held by any person other than our Promoter, prior to this Issue, which are subject to lock in as per the provisions of Regulation 37 of SEBI (ICDR) Regulation, may be transferred to any other person holding shares which are locked in, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code as applicable.

Shares held by our Promoter which are locked in as per the provisions of Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst Promoter / Group Entities or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable. The locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following**:**

- If the specified securities are locked-in in terms of sub-regulation (b) of Regulation 36 of the SEBI (ICDR)Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and pledge of specified securities is one of the terms of sanction of the loan;

Further all the shares held by the Promoters / Promoter Group are free from pledge.

d. Details of aggregate shareholding of Promoter Group

Name of Promoter Group Entity / Individual	Number of Equity Shares	% of pre issue equity share capital
Mrs. Rachita R. Mehta	40,000	0.49
Ms. Prachi P. Laddha	40,000	0.49
Total	**80,000**	**0.98**

4. Our Promoters and our Group Entities, the Directors of our Group Entities, the Directors of our Company and their immediate relatives have not purchased, neither have they sold any Equity Shares, during a period of six months preceding the date of filing the Red Herring Prospectus with SEBI.

5. **None of our Directors or key managerial personnel hold Equity Shares in the Company, other than as follows:**

Sr. No	Name of the Directors	Number of Equity Shares	% of pre issue equity share capital
1.	Mr. Suresh G. Sarda	40,000	0.49
2.	Mr. Vijaygopal P. Atal	40,000	0.49
3.	Mr. Sharad R. Karwa	40,000	0.49
4.	Mr. Prashant P. Sarda	40,000	0.49
	Total	**1,60,000**	**1.96**

6. Our Promoters have not been issued Equity Shares for consideration other than cash except for 75,81,000 Equity Shares issued as Bonus on December 29, 2010

7. Except as mentioned in the chapter titled *"History and Certain Corporate Matters"* beginning on page 146 of the Red Herring Prospectus, our Company, our Directors, our Promoters and the BRLM to this Issue have not entered into any buy-back, standby or similar arrangements for purchase of Equity Shares of our Company from any person.

8. An over-subscription to the extent of 10% of this Issue size can be retained for the purpose of rounding off while finalizing the basis of allotment of Equity Shares.

9. As on the date of filing of the Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures, loans or other financial instrument into Equity Shares.

10. As per RBI regulations, OCBs are not allowed to participate in this Issue, sub accounts of FIIs who are foreign corporate or foreign individuals are not QIBs, and hence cannot Bid in the QIB Portion in the Issue.

11. Since the entire money of ` [●]/- per share (` 10/- face value + ` [●]/- premium) is being called on application, all the successful applicants will be issued fully paid-up Equity Shares.

12. The Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on date.

13. In case of over-subscription in all categories, not more than 50% of the Issue to the Public shall be allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

14. Under-subscription, if any, in any portion would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

15. *Particulars of the top ten shareholders*

a. Particulars of the top ten shareholders as on the date of filing of the Red Herring Prospectus with SEBI.

Sr. No.	Name of Shareholders	Number of Equity Shares (` 10/-)	Percentage of Total Paid-Up Capital
1.	Mr. Prakash P. Laddha	42,00,000	51.08
2.	Mrs. Aruna P. Laddha	37,80,000	45.98
3.	Mrs. Rachita R. Mehta	40,000	0.49
4.	Ms. Prachi P. Laddha	40,000	0.49
5.	Mr. Suresh G. Sarda	40,000	0.49
6.	Mr. Vijaygopal P. Atal	40,000	0.49
7.	Mr. Sharad R. Karwa	40,000	0.49
8.	Mr. Prashant P. Sarda	40,000	0.49
	TOTAL	**82,20,000**	**100.00**

b. Particulars of top ten shareholders ten days prior to the filing of the Red Herring Prospectus with SEBI.

Sr. No.	Name of Shareholders	Number of Equity Shares (` 10/-)	Percentage of Total Paid-Up Capital
1.	Mr. Prakash P. Laddha	42,00,000	51.08
2.	Mrs. Aruna P. Laddha	37,80,000	45.98
3.	Mrs. Rachita R. Mehta	40,000	0.49
4.	Ms. Prachi P. Laddha	40,000	0.49
5.	Mr. Suresh G. Sarda	40,000	0.49
6.	Mr. Vijaygopal P. Atal	40,000	0.49
7.	Mr. Sharad R. Karwa	40,000	0.49
8.	Mr. Prashant P. Sarda	40,000	0.49
	TOTAL	**82,20,000**	**100.00**

c. Particulars of the top ten shareholders 2 years prior to the date of filing of the Red Herring Prospectus with SEBI.

Sr. No.	Name of Shareholders	Number of Equity Shares (` 100/-)	Percentage of Total Paid-Up Capital
1.	Mr. Prakash P. Laddha	30,000	72.99
2.	Mrs. Aruna P. Laddha	9,867	24.01
3.	Mrs. Rachita R. Mehta	617	1.50
4.	Ms. Prachi P. Laddha	616	1.50
	TOTAL	**41,100**	**100.00**

16. Shareholding pattern of our Company prior and post this Issue

		Pre-Issue				Post-Issue				Shares Pledged or otherwise encumbered	
Category code	Category of shareholder	No. of share holder	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares	No. of share holders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		

		s			As a percentage of (A+B)	As a percentage of (A+B+C)				As a percentage of (A+B)	As a percentage of (A+B+C)	Number of equity shares	As a percentage
(A)	**Promoter and Promoter Group**												
(1)	**Indian**												
(a)	Individuals/ Hindu Undivided Family	4	80,60,000	80,60,000	98.05	98.05	4	80,60,000	80,60,000	[●]	[●]	NIL	NIL
(b)	Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	Financial Institutions/ Banks	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e)	Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Sub-Total (A)(1)	4	80,60,000	80,60,000	98.05	98.05	4	80,60,000	80,60,000	[●]	[●]	NIL	NIL
(2)	**Foreign**												
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Sub-Total (A)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	4	80,60,000	80,60,000	98.05	98.05	4	80,60,000	80,60,000	[●]	[●]	NIL	NIL

		Pre-Issue					Post-Issue					Shares Pledged or otherwise encumbered	
Category code	Category of shareholder	No. of share holders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		No. of share holders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Number of equity shares	As a percentage
					As a percentage of (A+B)	As a percentage of (A+B+C)				As a percentage of (A+B)	As a percentage of (A+B+C)		
(B)	**Public shareholding**												
(1)	**Institutions**												
(a)	Mutual Funds/UTI	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Financial Institutions/ Banks	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(d)	Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(e)	Insurance Companies	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(f)	Foreign Institutional Investors	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(g)	Foreign Venture Capital Investors	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(h)	Any Other (specify)	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	Sub-Total (B)(1)	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(2)	**Non-institutions**												
(a)	Bodies Corporate	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Individuals – i. Individual shareholders holding	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]	[●]	[●]	[●]

		Pre-Issue					Post-Issue					Shares Pledged or otherwise encumbered	
Category code	Category of shareholder	No. of share holders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		No. of share holders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Number of equity shares	As a percentage
					As a percentage of (A+B)	As a percentage of (A+B+C)				As a percentage of (A+B)	As a percentage of (A+B+C)		
	nominal share capital up to ` 1 lacs												
	ii. Individual shareholders holding nominal share capital in excess of ` 1 lacs	4	1,60,000	1,60,000	1.95	1.95	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Any Other (specify)	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	Sub-Total (B)(2)	4	1,60,000	1,60,000	1.95	1.95	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	Total Public Shareholding (B)= (B)(1)+(B)(2)	4	1,60,000	1,60,000	1.95	1.95	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	TOTAL (A)+(B)	8	82,20,000	82,20,000	100.00	100.00	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	GRAND TOTAL (A)+(B)+(C)	8	82,20,000	82,20,000	100.00	100.00	[●]	[●]	[●]	[●]	[●]	[●]	[●]

17. The total number of members of our Company as on the date of filing the Red Herring Prospectus is 8.

18. Our Company has not raised any bridge loan against the proceeds of this Issue.

19. We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise,

except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

20. There shall be only one denomination of Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

21. There are no financing arrangements whereby persons forming part of the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing Red Herring Prospectus with the Board.

22. An investor cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

23. On March 31, 2006, the License to Collect Toll (Arni Toll Naka) by our Company was revalued on "Net Realisable Value". Net appreciation of ` 1,063.46 Lakhs in the value of License to Collect Toll was credited to the Revaluation Reserve.

24. Our Company has not issued any Equity Shares out of revaluation reserves. The Company has not issued any shares for consideration other than cash, except for the bonus issue made on December 29, 2010.

25. Our Company has not made any public issue since its incorporation.

26. The shares locked in by our Promoters are not pledged to any party. The Equity Shares held by our Promoters which are locked-in for a period of one year can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of such loan.

27. Our Company does not have any employee stock option plan or scheme.

28. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters or Directors to the persons who receive allotments, if any, in this Issue.

29. The Equity Shares which are subject to lock-in shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the stock exchanges, where the shares are to be listed, before the listing of the securities.

30. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (ICDR) Regulations.

31. Our Promoter and Promoter Group will not participate in this Issue.

32. Except as stated below, there has been no allotment of Equity Shares that may be at a price lower than the Issue Price within the last 12 months from the date of filing the Red Herring Prospectus.

Date of Allotment	No. of Equity Shares	Face Value	Issue Price	Reasons	Allottees
December 29, 2010	78,09,000	10	NIL	Bonus Issue	Shareholders of the Company as on the record date fixed for the Bonus

					Issue.

33. The Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of registering the Red Herring Prospectus with the RoC and the Bid/Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transactions.

34. In respect of various agreements entered into by our Company with the lenders/bankers and sanction letters issued by our lenders to us, we are bound by certain restrictive covenants regarding the alteration of our capital structure and other restrictive covenants. As per the loan agreements and sanction letters, we are required to take written consent from the lenders, pursuant to which we have taken written consents in relation to this Issue from the following banks:

Sr. No.	Lender/Banker	Date of NoC
1.	Axis Bank Limited	March 21, 2011

35. The Equity Shares forming part of Promoters' contribution do not consist of any private placement made by solicitation of subscription from unrelated persons, either directly or through any intermediary.

36. Neither the BRLM nor its associates hold any Equity Shares in our Company.

OBJECTS OF THE ISSUE

We intend to use the proceeds of the Issue for the following purposes:

1. To meet working capital requirement;
2. To Invest in Construction Equipments;
3. To Invest in Subsidiaries;
4. To meet General Corporate Purposes; and
5. To meet Public Issue Expenses.

(Collectively referred to hereinafter as the "**Objects**")

The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE& NSE. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

We intend to utilize the Issue Proceeds, after deducting BRLM Fees, and management fees, selling commission and other public issue expenses associated with the Issue ("Issue Proceeds"), which is estimated at ` [●] Lakhs for financing the growth of our business.

Requirement of funds

The following table summarizes the requirement of funds:

(` In Lakhs)

Sr. No.	Particulars	Amount
1.	Working Capital Requirement	3,500.00
2.	Investment in Construction Equipments	930.00
3.	Investment in Subsidiaries	234.52
4.	General Corporate Purposes*#	[●]
5.	Public Issue Expenses*	[●]
	Total	**6,000.00**

**will be incorporated after finalization of Issue Price*

the amount deployed towards general corporate purpose shall not exceed 25% of the total issue size.

Means of Finance

The entire requirement of funds is proposed to be funded through the proceeds of the Issue. In case of shortfall, if any, the same shall be met out of fresh bank loan or internal accruals. Excess money, if any, will be utilized for general corporate purpose, including acquisitions.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may, subject to compliance with applicable laws and regulations, also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object *vis-à-vis* the utilization of Issue Proceeds. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

Our Company confirms that it is not required to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance, as it intends to raise the amount through proposed public issue.

Details of the use of the proceeds

1. Working Capital Requirement.

Our business is working capital intensive and we avail majority of our working capital from our Banker and the balance in funded through internal accruals. As on the date of RHP, we have been sanctioned working capital cash credit limits of ` 2,500 Lakhs comprising of Fund based limit of ` 1,700 Lakhs and Non-Fund-based limit of ` 800 Lakhs.

We expect a further increase in the working capital requirements in view of current order book position and potential projects that may be awarded. Accordingly, we have proposed to use ` 3,500 lakhs out of the issue proceeds to meet the increase in long term working capital requirements.

(`In Lakhs)

	Particulars	31.03.2013	31.03.2012	31.03.2011	31.03.2010
		Estimated	Estimated	Audited	Audited
A.	**Current Assets**				
	- Inventory WIP	4,022	3,384	2,446	1,540
	- Receivables	3,880	3,233	1,515	274
	- Advances to Suppliers, other advances and other current assets	3,810	3,173	2,663	2,742
	Total Current Assets	**11,712**	**9,790**	**6,623**	**4,556**
B.	**Current Liabilities**				
	- Sundry Creditors, Provisions and creditors for other expenses	2,382	1,904	3,111	2,107
	Total Current Liabilities	2,382	**1,904**	**3,111**	**2,107**
C.	**Working Capital Gap (A-B)**	**9,331**	**7,886**	**3,512**	**2,449**
D.	**Fund-based working capital limits**	2,500	2,000	1,500	655
E.	**Internal Accruals**	3,331	2,616	2,012	1,794
F.	**Working Capital funding through IPO proceeds**	3,500	3,270	-	-

As per our estimates we would require ` 3,500 lakhs out of the issue proceeds to meet the working capital requirements.

We have estimated future working capital requirements based on the following:

(No. of days)

Particulars	Basis	FY 2013	FY 2012	FY 2011
Receivables	Days of Income from Operations	62	66	43
Inventory WIP	Days of Income from Operations	76	80	83
Loans and advances and other current assets.	Days of total construction related expenses	72	75	76
Creditors and others	Days of total construction related expenses	45	45	105

2. Investment in Construction Equipments

We need to invest in Construction Equipments on a regular basis. We plan to make a capital expenditure of ` 930 Lakhs on the basis of the quotations received. We believe that ownership of construction equipments would strengthen our execution capacity in complex projects and would be economical in the long run.

Following are details of the equipment for which we have obtained the quotations:

(` In Lakhs)

Sr. No.	Particulars of Equipments	Quantity	Quotation Value	Name of Supplier	Date of Quotation
1.	Mechanical Broom	2	3.4	Gujarat Apollo Industries Ltd.	28/03/2011
2.	Stationary Asphalt Continuous Mix Plant	1	62.3	Gujarat Apollo Industries Ltd.	28/03/2011
3.	Bitumen Pressure Distributor Module-ATM4000	2	16.2	Gujarat Apollo Industries Ltd.	28/03/2011
4.	Hydrostatics Sensor Paver AP 550(Duel Application)	1	41.8	Gujarat Apollo Industries Ltd.	28/03/2011
5.	Stationary Wet Mix Plant Capacity 200 tph	1	36.9	Gujarat Apollo Industries Ltd.	28/03/2011
6.	Portable Concrete Pump SP 1200	1	22.1	Schwing Stetter India Pvt. Ltd.	28/03/2011
7.	Portable Concrete Pump BP 350XTD	1	20.4	Schwing Stetter India Pvt. Ltd.	28/03/2011
8.	Wheel Loader XG932 Payload:3 Ton	1	27.2	Escorts Construction Equipment Ltd.	26/03/2011
9.	Motor Grader 31651	1	57.1	Escorts Construction Equipment Ltd.	26/03/2011
10.	Pick -N-Carry Crane C-8000	2	19.9	Escorts Construction Equipment Ltd.	26/03/2011
11.	Vibratory Soil Compactor 2420	1	20.8	Escorts Construction Equipment Ltd.	26/03/2011
12.	250 KVA Liquid cooled silent DG Set	1	15.6	Dusane Engineering Pvt. Ltd.	25/03/2011
13.	100 KVA Liquid cooled silent DG Set	1	8.3	Dusane Engineering Pvt. Ltd.	25/03/2011
14.	160 KVA Liquid cooled silent DG Set	1	11.3	Dusane Engineering Pvt. Ltd.	25/03/2011
15.	Truck Model 2518 TP	2	47.3	Asia Motorworks Limited	26/03/2011
16.	Truck Model 3118 TP	3	84.0	Asia Motorworks Limited	25/03/2011
17.	Backhoe Loader TLB 844S	1	22.5	Terex Equipment Pvt. Ltd.	26/03/2011
18.	Lighting Tower RL4000	3	17.6	Terex Equipment Pvt. Ltd.	26/03/2011
19.	Concrete Batching Plant 15 cum/ Hr. Capacity	1	23.1	Universal Sales Corporation	1/3/2011
20.	Transit Mixer Capacity 6 cum	5	53.15	Universal Sales Corporation	1/3/2011
21.	Works Platform	1	15.7	Universal Sales Corporation	1/3/2011
22.	Tough Rider Capacity 1000kg	2	11.4	Universal Sales Corporation	1/3/2011
23.	Reversible Mixer (RM 300 E-100)	2	6.1	Universal Sales Corporation	1/3/2011

Sr. No.	Particulars of Equipments	Quantity	Quotation Value	Name of Supplier	Date of Quotation
24.	Tower Hoist & Winch (UCM-200) For 60 Ft Height	2	5.2	Universal Sales Corporation	1/3/2011
25.	Tower Hoist & Winch (UCM-200) For 120 Ft Height	2	6.6	Universal Sales Corporation	1/3/2011
26.	Tower Hoist & Winch (UCM-200) For 200 Ft Height	2	8.6	Universal Sales Corporation	1/3/2011
27.	Bar Cutting Machine UCM42	6	10.8	Universal Sales Corporation	1/3/2011
28.	Bar Bending Machine	6	11.9	Universal Sales Corporation	1/3/2011
29.	Crawler Mounted Hydraulic Excavator(L&T-Kometsu PC 130)	1	38.2	L & T Komatsu Limited	29/03/2011
30.	Alluminium Shuttering Material	1	204.6	Cosmos Construction Machineries & Equipments (P) Ltd.	29/03/2011
	Total		**930.00**		

Our Company does not intend to purchase any second hand machinery from the proceeds of this Issue. For the above estimates, we have relied upon quotations received by us and as per management estimates. We have not yet placed orders for the above equipment. Further none of the promoters, promoter group, directors and employees of our Company has any interest in the above entities from whom the Company has obtained the quotations.

3. Investment in Subsidiaries

For purpose of administrative and execution convenience, our Company has formed various Subsidiaries. Execution work of various contracts is distributed to Subsidiaries on territorial basis as business of Prakash Constrowell Ltd. covers widespread geography in the state of Maharashtra.

Our Company holds 51% stake each in all our Subsidiaries. The Company intends to acquire remaining 49% equity shares of all the Subsidiaries thereby making them wholly owned subsidiaries of our Company. Through the acquisition of equity shares the following benefits are expected to accrue:

- Consolidated financial and business operations with that of the Company,
- The Company by virtue of the holding Company shall have effective control over all its Subsidiaries.
- The Company shall derive benefits from our Subsidiaries, to the extent of its shareholding.
- Any growth in the business of our Subsidiaries will bring in larger dividend or higher valuation of the equity investments in Subsidiaries.

As per the Valuation Report of **M/s. Bedmutha & Associates** dated **March 21, 2011** the enterprise value of all its Subsidiaries are calculated below:

Name of the Subsidiaries	Enterprise Value as on December 31, 2010 (` In Lakhs)	No. of Shares	Book Value Per Share (`)	Remaining Stake	Proposed Investment (` In Lakhs)
Atal Buildwell Private Limited	108.66	60000	181	49%	53.21
Ram Buildwel Private Limited	160.27	10000	1603	49%	78.55
Mohini Buildcon Private Limited	174.35	10000	1743	49%	85.41
Punamraj Construwell Private Limited	35.39	10000	354	49%	17.35
				Total	**234.52**

We propose to invest an amount of ` 234.52 lakhs in our Subsidiaries through equity investments. Our Company believes that such investment is in line with its strategy of expanding its core businesses. For the said purpose our Company has entered into share purchase agreements to acquire balance equity stake in our subsidiary companies. The details of which are as follows:

Sr. No.	Name of the Subsidiaries	Transferors	No. of Shares	Relationship with		Consideration Involved (` In Lakhs)
				Issuer	Promoter	
1.	Atal Buildwell Private Limited	Mr. Vijaygopal P. Atal	24,400	Director	NIL	53.21
		Mr. Pankaj J. Atal	5,000	NIL	NIL	
2.	Ram Buildwel Private Limited	Mr. Suresh G. Sarda	4,000	Director	NIL	78.55
		Mr. Gopal S. Karwa	900	NIL	NIL	
3.	Mohini Buildcon Private Limited	Mr. Sharad R. Karwa	4,900	Director	Spouse of Sister of Mrs. Aruna P. Laddha	85.41
4.	Punamraj Construwell Private Limited	Mr. Prashant P. Sarda	4,900	Director	NIL	17.35

For details on audited financial statements of subsidiaries please refer to chapter titled *"Subsidiaries"* beginning on page 149 of the Red Herring Prospectus,

4. General Corporate Purposes

We propose to apply a part of the proceeds of the Issue for general corporate purposes as decided by our Board from time to time including any sort of PPP project, margin money, bank deposit, advance, strategic initiatives, brand building exercises, implementing enterprise resource planning tools and methodology, in our operations and other project related investments and commitments and execution capabilities in order to strengthen our operations.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of proceeds of the Issue and increasing or decreasing expenditure for a particular object vis-a-vis the utilization of proceeds of the Issue. In case of a shortfall in the proceeds of the Issue our management may explore a range of options including utilizing our internal accruals or seeking debt from lenders. In case of surplus monies, it shall be used for general business purpose. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. The amount deployed towards general corporate purposes shall not exceed 25% of the total issue size.

5. Public Issue Expenses

Issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar's fees, depository fees and listing Fees. The total expenses for this Issue are estimated to be approximately ` [●] lakhs, which is [●] % of the Issue size.

All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	Expenses * (` In lakhs)	Percentage of Issue Expenses	Percentage of the Issue Size
Lead management, Syndicate fees, Underwriting and Selling commission	[●]	[●]	[●]
SCSB Commission	[●]	[●]	[●]

Activity	Expenses * (` In lakhs)	Percentage of Issue Expenses	Percentage of the Issue Size
Printing and Stationery expenses	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Others (IPO grading, registrar's fees, legal fee, listing fees, etc.)	[●]	[●]	[●]
Total estimated issue expenses	**[●]**	**[●]**	**[●]**

**will be incorporated after finalization of Issue Price*

Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Monitoring Utilization of Funds

In terms of Regulation 16(1) of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency for the purposes of this Issue. As required under the listing agreements with the Stock Exchanges, the Audit Committee appointed by our Board of Directors will monitor the utilization of the Issue proceeds.

We will disclose the utilization of the proceeds of the Issue, including interim use, under a separate head in our quarterly financial disclosures and annual audited financial statements until the Issue proceeds remain unutilized, to the extent required under the applicable law and regulation.

Except as stated above and otherwise in the normal course of our business, no part of the proceeds from the Issue will be paid by as consideration to our promoters, directors, associate, or key managerial personnel except to the extent of ` 234.52 Lakhs towards purchase of equity stake in our subsidiaries.

Bridge loan & any financial arrangements

Our Company has not raised any bridge loan against the proceeds of this Issue, further the Company has not made any other financial arrangements, which are to be repaid from the Issue proceeds.

Funds deployed

The Company has not deployed any of the funds towards any of the above mentioned activities till date.

Estimated Schedule of Implementation

(`In Lakhs)

Sr. No.	Particulars	Amount	Amount
		FY 2012	**FY 2013**
1	To meet working capital requirement	3,270.00	230.00
2	Investment in Construction Equipments	930.00	-
3	Investment in Subsidiaries	234.52	
4	General Corporate Purposes*	[●]	
5	Issue Related Expenses*	[●]	-
	Total	**[●]**	**[●]**

**will be incorporated after finalization of Issue Price*

Interim Use of Proceeds

Our management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Issue. Post receipt of funds but prior to disbursement, we may invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in working capital loan accounts and other investment grade interest bearing securities as may be approved by the Board. Such investments would be in accordance with the investment policies approved by our Board from time to time and at the prevailing commercial rates at the time of investment. No part of the Issue proceeds will be paid to our Promoters, Directors, key management personnel or Promoter Group Company/entity.

BASIS FOR ISSUE PRICE

The Issue Price of ` [●] per Equity Share will be determined by our Company, in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by the Book Building Process and on the basis of the following qualitative and quantitative factors.

Qualitative Factors

We believe that our business strengths listed below deliver that cutting edge that enables us to remain competitive in construction based infrastructure related businesses:

- Experienced management and a well trained employee base
- Successfully completed a number of projects awarded by Government / semi-government bodies
- Successfully completed BOT project by way of PPP model
- Diverse order book
- Technical expertise and vast industry experience
- Track record of timely completion of Projects
- Continuous growth in our bid capacity and pre-qualification capability
- Integrated business model

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, see the chapters titled *"Business Overview"* and *"Risk Factors"* beginning on pages 114 and 14, respectively, of the Red Herring Prospectus.

Quantitative Factors

Information presented in this section is derived from our Company's restated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Weighted Average Earnings Per Share (Basic EPS)

Period	Consolidated (`)	Standalone (`)	Weight
FY 2008-09	3.93	3.58	1
FY 2009-10	9.07	8.63	2
FY 2010-11	12.95	12.78	3
Weighted Average	**10.16**	**9.86**	

Note: EPS represents basic earnings per share calculated as per Accounting Standard-20 issued by Institute of Chartered Accountants of India.

2. Price/Earning (P/E) ratio in relation to Issue Price of ` [●]

Particulars	Consolidated	Standalone
P/E ratio based on Basic EPS for FY 2010-11	[●]	[●]
P/E ratio based on Weighted Average EPS	[●]	[●]

Peer Group

Particulars	P/E Ratio
Industry P/E[#]	
Highest (Joy Reality Limited)	410.70
Lowest (Lancor Holdings Limited)	2.20
Average	30.18

[#]*Source: Capital Market volume no. XXVI/13 dated August 22-September 04, 2011, Industry-Construction. The industry composite average has been calculated as arithmetic average P/E of industry Peer Group given in aforesaid edition of Capital Market magazine.*

3. Average Return On Net Worth

Period	Consolidated (%)	Standalone (%)	Weight
FY 2008-09	24.40	22.75	1
FY 2009-10	36.01	35.42	2
FY 2010-11	33.09	34.42	3
Weighted Average	**32.62**	**32.81**	

4. Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the FY 2010-11:

Based on Basic EPS

At the Floor Price - [●] % and [●] % based on standalone and consolidated restated financial statements, respectively.

At the Cap Price - [●] % and [●] % based on standalone and consolidated restated financial statements, respectively.

5. Net Asset Value (NAV) per Equity Shares

Particulars	Consolidated (`)	Standalone (`)
As on March 31, 2009	16.12	15.72
As on March 31, 2010	25.20	24.36
As on March 31, 2011	39.14	37.14
NAV Post-Issue	[●]	
Issue Price* `	[●]	

**The Issue Price of ` [●] per Equity Share has been determined on the basis of the demand from investors through the Book Building Process and is justified based on the above accounting ratios.*

6. Comparison with other listed companies

Particulars	Sales (` In Crore)	EPS (`)	P/E	Return On Net Worth (%)	Book Value Per Share (`)	Face Value (`)
Prakash Constrowell Limited*	126.91	12.95	[●]	33.09	39.14	10
*Peer Group***						
RPP Infra Projects Limited	216.29	10.11	7.20	21.61	38.21	10
Man Infraconstruction Limited	625.68	12.77	10.20	12.40	102.95	10
Vascon Engineers Limited	1,022.96	7.20	4.60	9.18	79.71	10

Source: Annual Reports, BSE Website www.bseindia.com, Economic Times Newspaper Mumbai Edition dated August 23, 2011.

**The figures for Prakash Constrowell Limited are based on the restated consolidated results for the year ended March 31, 2011.*
***The figures for the peer group are based on audited results (consolidated) for the year ended March 31, 2011.*

The face value of our Equity Shares is ` 10 and the Issue Price is ` [●] i.e., [●] times of the face value.

On the basis of the above qualitative and quantitative parameters, our Company and the BRLM are of the opinion that the Issue Price of ` [●] per Equity Share is justified.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors
Prakash Constrowell Limited
6/7, Falcon Plaza,
National Urdu High School Road,
Near Sarda Circle,
Nasik – 422 001,
Maharashtra, India.

Dear Sirs,

Statement of Possible Tax Benefits available to the Company and its shareholders

We hereby report that the enclosed statement states the possible tax benefits available to the Company under the Income-tax Act, 1961 amended by Finance Bill 2011, presently in force in India and to the shareholders of the Company under the Income tax Act, 1961, Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities/ Courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We are not liable to any other person in respect of this statement.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

For **M/s. Bedmutha & Associates**
Chartered Accountants
Firm Registration No.: 114816W

J. B. Bedmutha
Proprietor
Membership No.: 42719
Place: Nasik
Date: August 18, 2011

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO PRAKASH CONSTROWELL LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

(I) SPECIAL TAX BENEFITS AVAILABLE TO PRAKASH CONSTROWELL LIMITED AND ITS SHAREHOLDERS

- **Deduction under section 80IA**
  As per the provisions of Section 80- IA(1) and 80-IA(4) of the Income Tax Act, the Company is eligible to claim 100% tax benefit with respect to profits derived from (i) developing or (ii) operating and maintaining or (iii) developing, operating and maintaining any infrastructure facility. However, the benefit is available subject to fulfillment of conditions prescribed under the section.

(II) GENERAL TAX BENEFITS AVAILABLE TO PRAKASH CONSTROWELL LIMITED AND ITS SHAREHOLDERS

BENEFITS AVAILABLE TO THE COMPANY UNDER THE INCOME TAX ACT, 1961

1. **Dividend exempt under Section 10(34)**
   Under Section 10(34) to be read with Section 115(O) of the Act, dividend income (whether interim or final) in the hands of the company as distributed or paid by any other Company on or after April 1, 2004 is completely exempt from tax in the hands of the Company.

2. **Exemption under Section 10(35)**
   Under section 10(35) of the Act, the income received by the Company from distribution made by any mutual fund specified under section 10(23D) of the Act in respect of which tax is paid by such mutual fund u/s. 115R of the Act or from the Administration of the specified undertaking or from the specified companies is exempt from tax.

3. **Exemption under Section 10(23G)**
   In accordance with and subject to the provisions of section 10(23G) of the Act, the Company will be eligible to claim exemption on any income by way of dividends (other than dividends exempt under section 10(34) of the Act), interest or long term capital gains from investments made by way of shares or long-term finance in specified enterprise, wholly engaged in specified business or projects and which have been approved by the Central Government.

4. **Lower Tax Rate under Section 112 on Long Term Capital Gains**
   As per the provisions of Section 112 of the Act, long-term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the provision to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

5. **Exemption of Long Term Capital Gain under section 10(38)**
   As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognised stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after October 1, 2004 and such sale is subject to Securities Transaction Tax.

   However, income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB.

6. **Lower Tax Rate under Section 111A on Short Term Capital Gains**
   As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax at the rate of 15 percent provided such a transaction is entered into after October 1, 2004 and the transaction is subject to Securities Transaction Tax.

7. **Exemption of Long Term Capital Gain under Section 54EC**

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains not covered by sections 10(36) and 10(38) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. The long-term specified assets for the purpose of investment made on or after April 1, 2007 are bonds of:

a) National Highways Authority of India ("NHAI") constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or

b) Rural Electrification Corporation Ltd. ("RECL"); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of ` 50 Lakhs during any financial year.

Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.

8. Depreciation under Section 32

In accordance with and subject to the provisions of section 32 of the Income tax Act, the company will be allowed to claim depreciation on specified tangible and intangible assets as per the rates specified. Besides normal depreciation, the company, in terms of section 32(1) (iia), shall be entitled to claim depreciation at the rate of 20 percent of actual cost on new plant and machinery acquired after March 31, 2005.

9. Deduction of donation under section 80G

As per the provisions of section 80G of the Act, deduction will be available in respect of the amounts contributed as donations to various charitable institutions and funds covered under that section subject to fulfillment of conditions specified therein.

10. Tax Rates

The tax rate is 30%. The surcharge on Income tax is 7.5 %, only if the total income exceeds `1 Crore. Education cess and Secondary Higher Education Cess is 3%.

11. **Minimum Alternate Tax ("MAT") under Section 115JB**

Under Section 115JB of the Act, in case of a company, if the tax payable on the total income as computed under the normal provision of Income-tax Act in respect of any previous year relevant to the assessment year commencing on or after April 1, 2001 is less than seven and one half per cent of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable for the relevant previous year shall be seven and one-half per cent of such book profit.

For the Assessment Year 2007-08, if the tax payable on the total income as computed under the Income-tax Act is less than 10% of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable shall be ten percent of such book profit.

For the Assessment Year 2010-11, if the tax payable on the total income as computed under the Income-tax Act is less than 15% of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable shall be fifteen percent of such book profit.

For the Assessment Year 2011-12, if the tax payable on the total income as computed under the Income-tax Act is less than 18% of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable shall be eighteen percent of such book profit.

However, with effect from April 1, 2012 i.e., in relation to the Assessment Year 2012-13 and subsequent years, if the tax payable on the total income as computed under the Income-tax Act in respect of any previous year relevant to the assessment year commencing on or after April 1, 2012 is less than 18.5% of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable for the relevant previous year shall be eighteen and one-half per cent of such book profit.

12. MAT Credit under Section 115 JAA (1A)

Under Section 115 JAA (1A) of the Act, tax credit shall be allowed of any tax paid (MAT) under Section 115JB of the Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for carry forward beyond ten years succeeding the year in which the MAT becomes allowable.

BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961

1. Dividend Exempt under Section 10(34)

Under Section 10(34) to be read with Section 115O of the Act, dividend (whether interim of final) declared, distributed or paid by the Company on or after April 1, 2004 is completely exempt from tax in the hands of the shareholders of the Company.

2. Lower Tax Rate under Section 112 on Long Term Capital Gains

As per the provisions of Section 112 of the Act, long-term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at concessional rate of 10 percent (plus applicable surcharge and education cess).

3. Lower Tax rate under Section 111A on Short Term Capital Gains

As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax at the rate of 15 percent provided such a transaction is entered into after October 1, 2004 and the transaction is subject to Securities Transaction Tax.

4. Exemption of Long Term Capital Gain under section 10(38)

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognised stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after October 1, 2004 and such sale is subject to Securities Transaction tax.

5. Exemption of Long Term Capital Gain under Section 54EC

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains not covered by sections 10(36) and 10(38) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. The long-term specified assets for the purpose of investment made on or after April 1, 2007 are bonds of:

c) National Highways Authority of India ("NHAI") constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or

d) Rural Electrification Corporation Ltd. ("RECL"); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of ` 50 Lakhs during any financial year.

Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.

6. Exemption under section 54F

In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which STT is not payable, shall be exempt from capital gains tax, if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family-

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- purchases another residential house within a period of one year after the date of transfer of the shares; or
- constructs another residential house within a period of three years after the date of transfer of the shares; and
- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

7. Deduction of Security Transaction Tax under section 36(1)(xv)

Under section 36(1)(xv) of the Act, the amount of Security Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or Profession" shall be allowable as a deduction against such Business Income.

BENEFITS AVAILABLE TO NON-RESIDENT INDIAN SHAREHOLDERS

1. Dividend Exempt under Section 10(34)

Under Section 10(34) to be read with Section 115O of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2004 is completely exempt from tax in the hands of the shareholders of the Company.

2. Lower Tax Rate under Section 112 on Long Term Capital Gains

As per the provisions of Section 112 of the Act, long term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

3. Lower Tax rate under Section 111A on Short Term Capital Gains

As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax at the rate of 15 percent provided such a transaction is entered into after October 1, 2004 and the transaction is subject to Securities Transaction Tax.

4. Options available under the Act

Where shares have been subscribed to in convertible foreign exchange - Option of taxation under Chapter XII – A of the Act:

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

i) According to the provisions of section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.

ii) According to the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificate are transferred.

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

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

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

5. Exemption of Long Term Capital gain under Section 10(38)

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such takes place after October 1, 2004 and such sale is subject to Securities Transaction Tax.

6. **Exemption of Long Term Capital gain under Section 54EC**

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains not covered by sections 10(36) and 10(38) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the

said section. The long-term specified assets for the purpose of investment made on or after April 1, 2007 are bonds of:

a) National Highways Authority of India ("NHAI") constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or

b) Rural Electrification Corporation Ltd. ("RECL"); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of ` 50 Lakhs during any financial year.

Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.

7. **Exemption under Section 54F**

In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which STT is not payable, shall be exempt from capital gains tax, if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family-

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- purchases another residential house within a period of one year after the date of transfer of the shares; or
- constructs another residential house within a period of three years after the date of transfer of the shares; and
- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

8. **Tax Treaty Benefits**

As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-Resident.

BENEFITS AVAILABLE TO OTHER NON-RESIDENTS

1. Dividend Exempt under Section 10(34)

Under Section 10(34) to be read with Section 1150 of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2004 is completely exempt from tax in the hands of the shareholders of the Company.

2. **Lower Tax Rate under Section 112 on Long Term Capital Gains**

As per the provisions of Section 112 of the Act, long-term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the provision to Section 112(1), if the tax on Long term capital

gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent rate of 10 percent (plus applicable surcharge and education cess.)

3. **Lower Tax Rate Under Section 111A on Short Term Capital Gains**

As per the provisions of Section 111A, Short Term Capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax at the rate of 15 percent provided such a transaction is entered into after the October 1, 2004 and the transaction is subject to Securities Transaction Tax.

4. **Exemption of Long Term Capital Gain under Section 10(38)**

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognised stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after October 1, 2004 and such sale is subject to Securities Transaction Tax.

5. Exemption of Long Term Capital Gain Under Section 54EC

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains not covered by sections 10(36) and 10(38) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. The long-term specified assets for the purpose of investment made on or after April 1, 2007 are bonds of:

a) National Highways Authority of India ("NHAI") constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or

b) Rural Electrification Corporation Ltd. ("RECL"); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of ` 50 Lakhs during any financial year.

Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.

6. **Exemption under Section 54F**

In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which STT is not payable, shall be exempt from capital gains tax, if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family-

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- purchases another residential house within a period of one year after the date of transfer of the shares; or
- constructs another residential house within a period of three years after the date of transfer of the shares; and
- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

7. **Tax Treaty Benefits**

As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non – Resident.

BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FII')

1. **Dividend Exempt Under Section 10(34)**

Under Section 10(34) to be read with Section 115O of the Act, dividend (whether interim or final) declared, distributed or paid by the company on or after April 1, 2004 is completely exempt from tax in the hands of the shareholders of the Company.

2. **Benefits of taxability of Capital Gain**

In case of a shareholder being a Foreign Institutional Investor (FII), in accordance with and subject to the conditions and to the extent specified in Section 115AD of the Act, tax on long term capital gain (not covered by sections 10(36) and 10(38) will be 10 percent and on short term capital gain will be 30 percent as increased by surcharge and education cess at an appropriate rate on the tax so computed in either case. However short term capital gains on sale of Equity Shares of a company through a recognized stock exchange or a unit of an equity oriented mutual fund effected on or affect October 1, 2004 and subject to Securities Transaction Tax shall be taxed at the rate of 15 percent as per the provisions of Section 111A. It is to be noted that the benefits of Indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to FII.

3. **Exemption of Long Term Capital Gain under Section 10(38)**

As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognised stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after October 1, 2004 and such sale is subject to Securities Transaction Tax.

4. **Exemption of Long Term Capital Gain Under Section 54EC**

In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains not covered by sections 10(36) and 10(38) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. The long-term specified assets for the purpose of investment made on or after April 1, 2007 are bonds of:

a) National Highways Authority of India ("NHAI") constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or

b) Rural Electrification Corporation Ltd. ("RECL"); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of ` 50 Lakhs during any financial year.

Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier

would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.

5. **Tax Treaty Benefits**
As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-Resident.

BENEFITS AVAILABLE TO MUTUAL FUNDS

In case of a shareholder being a Mutual fund, as per the provisions of Section 10(23D) of the Act, any income of mutual Funds registered under the Securities and Exchange Board of Indian Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual funds authorised by the Reserve Bank of India would be exempt from Income Tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES / FUNDS

In case of a shareholder being a Venture Capital Company / Fund, as per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, would exempt from Income Tax, subject to the conditions specified.

BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

Asset as defined under Section 2(EA) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

BENEFITS AVAILABLE UNDER THE GIFT – TAX ACT, 1958

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

Notes:

- The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;

- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws as amended by the Finance Act, 2011 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;

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

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

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

- In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

*The information in this section is derived from the report is preparedby CARE Research, a division of **C**redit **A**nalysis &**RE**search Limited (CARE). CARE Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in this report is guaranteed. CARE Research operates independently of ratings division and this report does not contain any confidential information obtained by ratings division, which they may have obtained in the regular course of operations. The opinion expressed in this report cannot be compared to the rating assigned to the company within this industry by the ratings division. The opinion expressed is also not a recommendation to buy, sell or hold an instrument.*

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1. Overview of the Indian Economy

India, with a Gross Domestic Product (GDP) of Rs. 48,778 bn at the end of FY 11, is the fourth-largest economy in the world after USA, China and Japan. During the pre-liberalisation period, India was considered to be an agrarian economy with more than 70% of the GDP being contributed by the agricultural sector. In 1991, the Government of India (GoI) initiated a series of economic reforms to promote industrial growth to bring in economic stability and growth. New liberal policies included opening of international trade and investment, privatisation, tax reforms etc. to transform the economy from socialism to capitalism. With these reforms, the economic growth which was hovering at the lower levels increased to above 8% territory in past few years. Barring FY09, economy has registered a growth of 8% and above during the period FY 06-11.

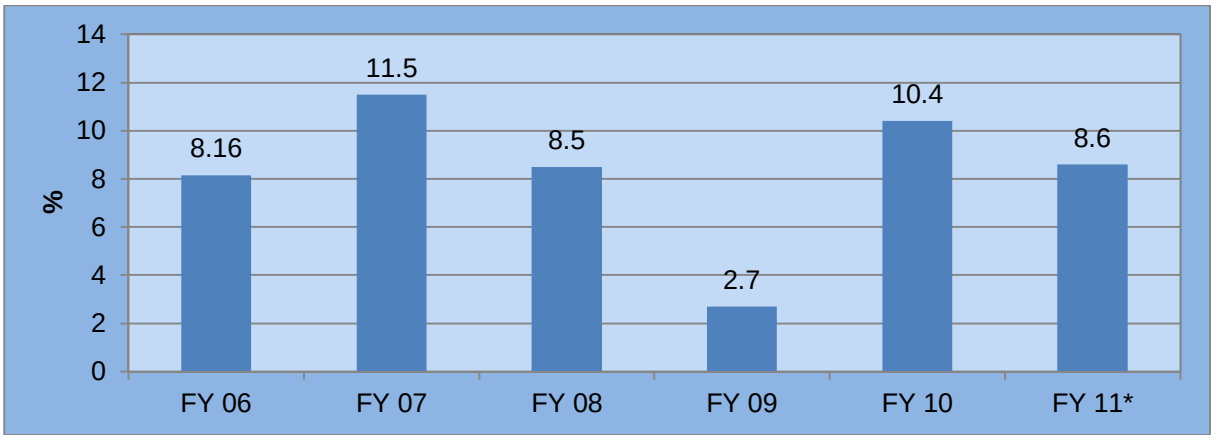
yoy(%)	FY06	FY07	FY08	FY09	FY10	FY11
GDP	9.5	9.6	9.3	6.8	8.0	8.5
Agriculture	5.1	4.2	5.8	-0.1	0.4	6.6
Industry	9.7	12.2	9.7	4.4	8.0	7.9
Services	11.0	10.1	10.3	10.1	10.1	9.4

Source: RBI and CARE Research at Factor cost (2004-05 prices)

The global financial crisis also hit the Indian economy and economic growth slashed to 6.8% in FY 09. However, with buoyant domestic demand, accommodative policies and stimulus packages announced by the government, macroeconomic environment improved in the later year and economy registered a growth of 8% in FY10.

Economy grew at a much faster pace in FY 11 and registered an impressive growth of 8.5%. The high growth in GDP came from all the sectors,: agricultural sector expanded by 6.6%, manufacturing sector grew at 8.3%, construction sector clocked a growth of 8.1% while the mining sector grew at 5.8%. The service sector was also buoyant and registered a growth of 9.4%.

Trend of Index of Industrial production (IIP) growth



Source: Central Statistical (CSO) Organisation 2004-05 Series

IIP, the barometer of the manufacturing activity in the country, clocked a growth of 5.3% in FY10 recovering from the slowdown in growth at 2.5% registered in FY09. In FY 11, IIP growth continued the rising trend and registered a growth level of 8.2%.

The strong performance of IIP and the improving business sentiment underscores that the Indian economy is on the recovery path. The recuperating demand conditions on the back of the government initiatives, improving employment situation, resumption in foreign capital inflows, recovering financial markets and stabilising exports have provided the growth momentum to the Indian economy.

2. Infrastructure sector

2.1 Overview the infrastructure sector

Background

Broadly, construction can be classified into three segments – infrastructure, industrial and real estate. The infrastructure segment involves construction projects in different sectors like roads, rails, ports, irrigation, power, telecom etc. Investment in the infrastructure sector plays a crucial role in the growth of the economy of the country. Development of infrastructure in the country mainly depends upon the spending by GoI in various sub-segments of infrastructure.

GDP and Construction at the factor cost (at constant prices)

	GDP (Rs. Cr)	GDP growth (%)	Construction (Rs. Cr)	Construction as % of GDP
FY06	32,54,216	**9.5**	2,58,124	**7.9**
FY07	35,66,011	**9.6**	2,84,798	**8.0**
FY08	38,98,958	**9.3**	3,15,389	**8.1**
FY09	41,62,509	**6.8**	3,32,557	**8.0**
FY10	44,93,743	**8.0**	3,55,918	**7.9**
FY11	48,77,842	**8.5**	3,84,629	**7.9**

Source: Central StatisticalOrganisation (CSO) and CARE Research

Construction as a percentage of (GDP) has been in the narrow range of 7.9-8.1% in the past sixyears. With a slowdown in the economic growth in FY09, growth in construction GDP had also declined to 5.4% compared to the growth of 10.7% registered in FY08. In FY09, many manufacturing companies had deferred their expansion plans. Investment in the infrastructure projects had decelerated owing to the liquidity constraints. Also, many corporates were finding it difficult to achieve the financial closure of the projects. Imminent elections had put a halt on the awarding of new projects.

To revive economic growth, GoI announced its first stimulus package in the month of December 2008 which was followed by two more stimulus packages in the last quarter of FY09. The emphasis was

given mainly to ease liquidity and liberalize the lending policies. Focus was given to increase the expenditure on infrastructure and provide funding to the long-term infrastructure projects in order to speed up the completion. GoI had authorized India Infrastructure Finance Co. Ltd. (IIFCL) to raise Rs.40,000 crore through tax-free bonds to refinance bank lending for infrastructure projects in the Public Private Partnership (PPP) mode. Apart from this, IIFCL was allowed to provide takeout financing to banks so that they can lend to the long-term infrastructure projects.

Post election in early FY10, the government had been focusing on awarding projects under different infrastructure segments. Also, the quantum of projects being shelved/deferred in the industrial sector slowed down., Due to these measures the construction GDP registered a growth of 7% in FY 10. In FY 11 the proportion of construction to GDP remained at about 7.9% and grew at 8.1%.

Proposals in the recent budget 2011-12

GoI has earmarked about Rs.2.14 lakh crore towards rural and urban infrastructure development in the country which is almost 23% higher than previous year. It has increased budgetary support towards various critical infrastructure projects under Bharat Nirman by Rs.10,000 crore to Rs.58,000 crore. The corpus of Rural Infrastructure Development Fund (RIDF) has been raised to Rs.18,000 crore for 2011-12 from Rs.16,000 crore in the current year 2010-11. Further, to attract investments in the infrastructure sector GoI has taken following measures:

- To boost infrastructure development, tax free bonds to the tune of Rs.30,000 crore are proposed to be raised by Infrastructure Institutions. (Indian Railway Finance Corporation - Rs.10,000 crore, National Highway Authority of India - Rs. 10,000 crore, HUDCO - Rs. 5,000 crore and Ports - Rs.5,000.)
- Tax sops for investing Rs.20,000 in long-term infrastructure bonds extended by one year.
- Foreign Institutional Investor (FII) limit for investment in corporate bonds issued by companies in infrastructure sector with residual maturity over five years has been raised up to US$ 25 bn.
- FIIs allowed to invest in bonds of unlisted infrastructure Special Purpose Vehicles (SPVs) with a minimum lock in period of three years.

Changes pertaining to key inputs

Steel

- Export duty on Iron ore lumps and fines increased to 20% from earlier 15% on lumps and 5% on fines.
- Custom duty on stainless steel scrap abolished from earlier 2.5%

Cement

- Custom duty on Gypsum and Coal is proposed to be reduced to 2.5%.
- Change in excise duty structure on cement & clinker as per the details given below:

EXCISE DUTY (Rs. per tonne)	PRE BUDGET	POST BUDGET
• Retail		
o Price below Rs.190 per 50 kg bag	290	10% ad-valorem + Rs. 80
o Price above Rs.190 per 50 kg bag	10% ad-valorem	10% ad-valorem + Rs. 160
• Bulk	290 or 10% ad-valorem whichever is higher	10% ad-valorem
• Clinker	375	10% ad-valorem + Rs. 200

As per GoI, disbursements target of IIFCL is expected to be about Rs.25,000 crore in FY 12. An attempt has been made to attract foreign funds towards infrastructure projects with long tenures which will lead to availability of long-term finance to the infrastructure companies. GoI has continued strong impetus on infrastructure development by allocating a significant portion of the planned allocation towards sectors like roads, power, ports, housing etc. which would result in momentum in order inflow

for the players in the construction industry. However, increase in excise duty on cement through composite rates which is likely to be passed on to the consumers will increase the input cost for construction companies.

Current snapshot

With the recovery in the economic growth and increased impetus of the government on infrastructure development, construction registered a strong growth of 8.9% on a yoy basis during the secondhalf of lastfiscal as against the GDP growth of 8.1%. In Q4FY11, GDP growth slowed down to7.8% while construction GDP grew by 8.2% on yoy basis.

GDP and Construction at the factor cost (at constant prices)

	GDP (Rs. Cr)	GDP growth (%)	Construction (Rs. Cr)	Construction as % of GDP
Q4 FY11	13,17,554	7.8	1,03,500	7.9
Q3 FY11	12,63,428	8.3	96,058	7.6

Source: CSO

IIP Vs Construction

Apart from infrastructure projects, the construction industry also receives orders from different manufacturing industries to execute construction work for instance, building plants, installation & erection of equipment & machinery and other related civil construction such as laying roads or rail lines, canals, power transmission towers etc. The construction industry has been benefiting from the rise in industrial production for the past few years. The following chart shows the trend of IIP and aggregate quarterly income of major construction companies in the last four years.

Trend of IIP & Income of construction companies

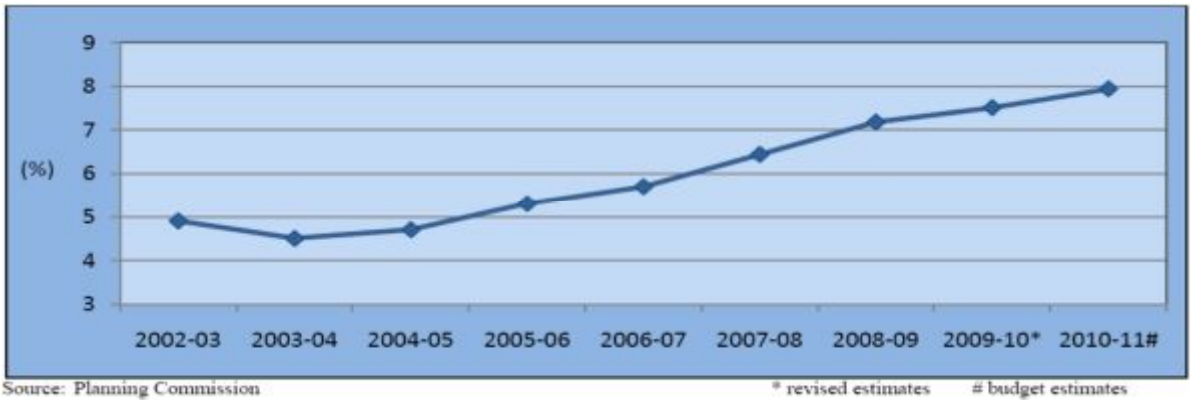
Source: Centre for Monitoring Indian Economy (CMIE), CARE Research Base 1993-94 = 100

Considering the period of the past four years, IIP has shown a rising trend. The trend of income of construction companies has almost mirrored the trend of IIP in the last four years. This trend reiterates the correlation between the industrial activity and income of construction companies.

Investment in Infrastructure

In the past few years, GoI has been focusing on improving the infrastructure in the country. This is reflected in the rising trend of the infrastructure investment as a percentage of GDP as shown in the following chart:

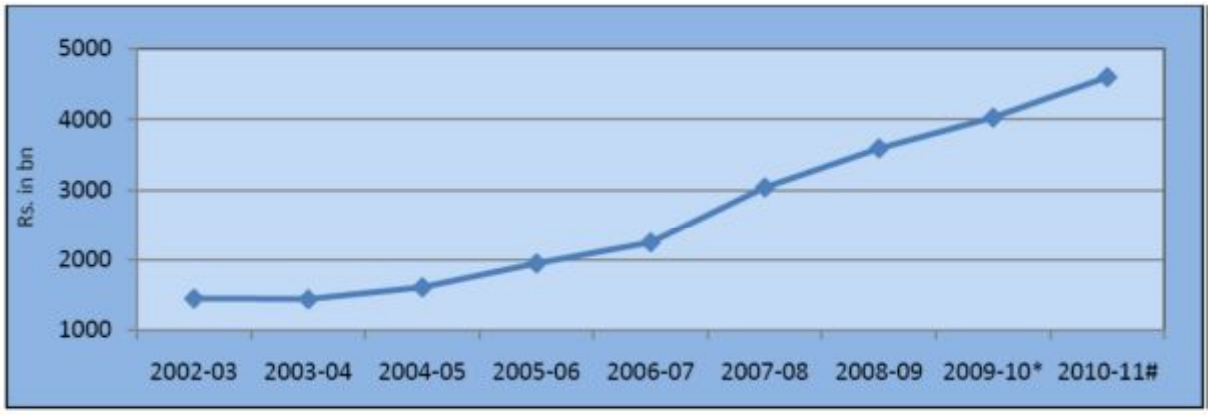
Trend of infrastructure investment as a percentage of GDP



Source: Planning Commission * revised estimates # budget estimates

As per the planning commission, investment in infrastructure as a percentage of GDP has increased from 4.5% in FY04 to 7.9% in FY11. The following chart shows the trend of absolute investment in the infrastructure sector in the past few years:

Trend of absolute investment in the infrastructure sector



Source: Planning Commission *revised estimates # budget estimates

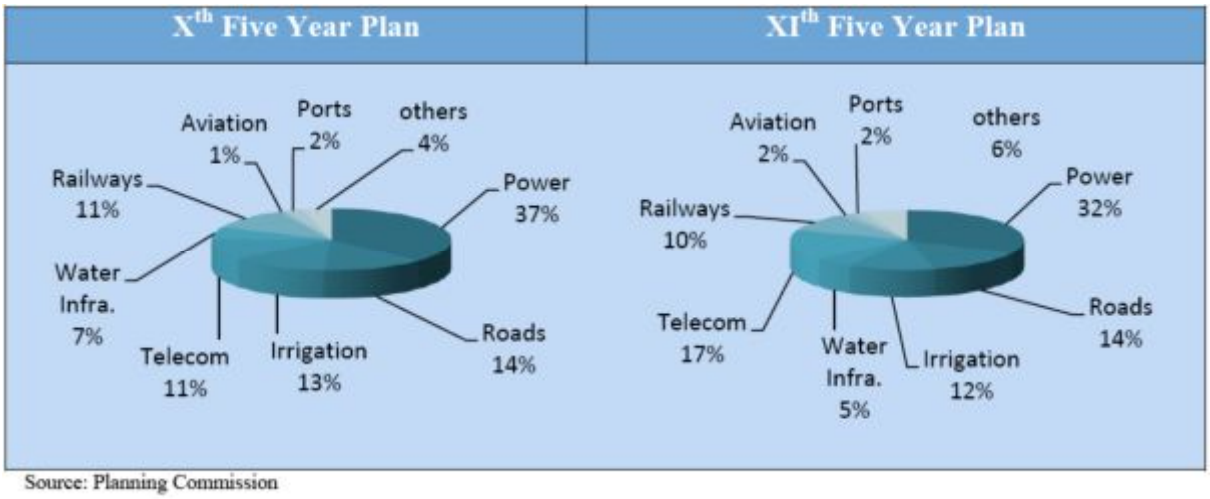
2.2 Five Year Plans – Comparison

Investment in the infrastructure sector rose almost 3.2 times in the year 2010-11 as compared to that in 2002-2003. Infrastructure investment picked up pace in the Tenth Five Year Plan. During this period, investment in the infrastructure grew at a CAGR of 12%.

Total investment in the infrastructure sector during the Tenth Five Year Plan was estimated to about Rs.9,192 bn. The projected investment in the Eleventh Five Year Plan is estimated at about 2.2 times that in the Tenth Five Year Plan.

The proportions of investment planned in different sub-sectors of the infrastructure sector in the Eleventh Five Year Plan are more or less same as that in the Tenth Five Year Plan as shown in the following chart:

Bifurcation of Investment across different sub-sectors of infrastructure



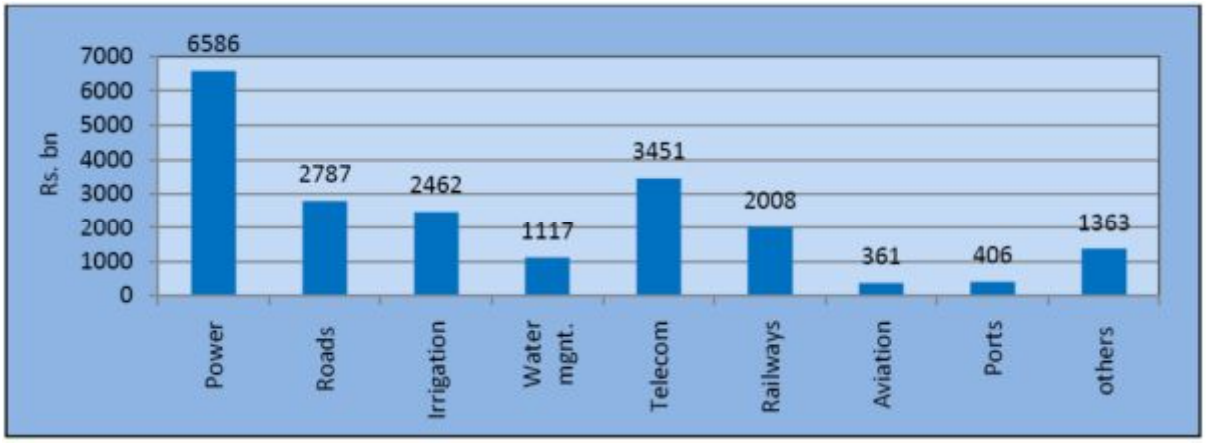
Source: Planning Commission

In the Eleventh Five Year Plan, GoI has put emphasis on removing bottlenecks in the transport sector to improve the trade. Investment proportions of port and airport sectors have increased in the Eleventh Five Year Plan. Even though, the proportions of road and railway sectors show a slight decline, the quantum of projected investment in these sectors is more than double compared to the anticipated expenditure in the Tenth Five Year Plan. Although, the share of the power sector has declined, it continues to be the priority area in the current Five Year Plan and will witness the maximum chunk of the investment. Investment in the telecom sector is expected to increase by almost 3.5 times and is mainly expected to come from the private sector. Under water supply and sanitation, the thrust would be given on improving infrastructure in the urban areas. To keep the pace of agricultural growth in the Eleventh Five Year Plan, investment in the irrigation sector is also envisaged at about 2.1 times the investment in the previous plan.

Investments planned in the Eleventh Five Year Plan

GoI has set an ambitious target to increase the proportion of the investment in the infrastructure sector to 9% of GDP by the end of FY12. Accordingly, estimated investment in the infrastructure sector during the Eleventh Five Year Plan would be more than Rs.20,500 bn. Bifurcation of the investment planned in the Eleventh Five Year Plan across different sub-segments of the infrastructure sector is as follows:

Infrastructure Outlay - Eleventh Five Year Plan



Source: Planning Commission

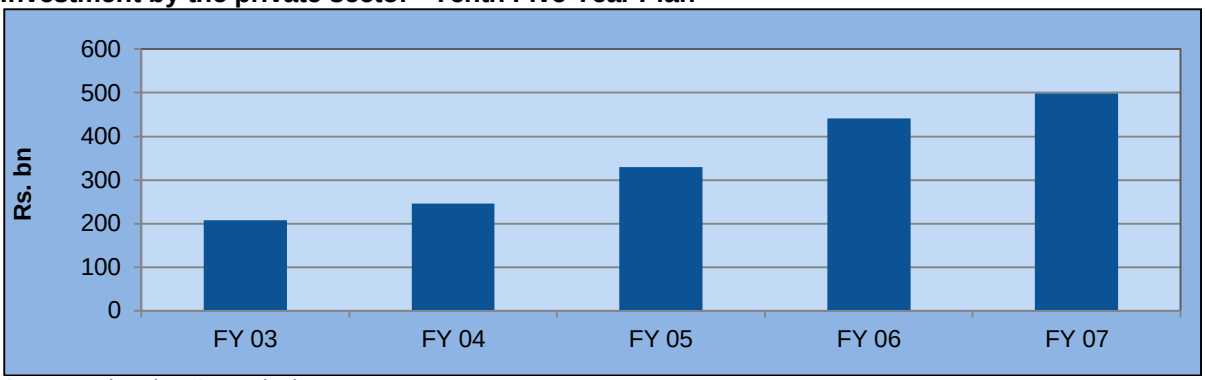
Almost half of the investment planned is expected to flow into the road and power sectors. Investments in different sub-segments of infrastructure are expected to be achieved through a combination of public private partnership and exclusive private investments. This provides a huge opportunity for the construction companies by sharing investments to participate in the rally of infrastructure development in the country.

2.3 Role of private sector participation

Over the past few years, GoI has been promoting PPP to draw private sector resources and their techno-managerial efficiencies in critical infrastructure projects. Private participation ensures speedy completion of work and timely maintenance of the facility. Private players also benefit in the process by being a part of large-scale projects which have high potential to earn profits over a long period.

Over the past few years, central & state governments have been developing infrastructure projects through private sector participation. GoI has been successful in promoting the PPP in some key infrastructure sub-sectors like roads, ports, airports, power etc.

Investment by the private sector - Tenth Five Year Plan



Source: Planning Commission

As per the Planning Commission, India has witnessed total private investment to the tune of Rs.1,722 bn across different infrastructure sectors during the Tenth Five Year Plan. Out of the total private investment in the Tenth Five Year Plan, highest investment commitment was witnessed by the power sector at 53% followed by the telecom sector at 32%.

Private sector participation in the Eleventh Five Year Plan

GoI has planned to increase investments in infrastructure to remove the bottlenecks and provide sustained growth momentum to the economy. However, providing for such a large investment, when deficits at both central and state levels are high, is a difficult task for GoI. The private sector has to play a vital role to bridge the gap to reach investment targets.

A strategy has been developed which involves a combined effort from the government and also the private sector. Increase in public sector investment in infrastructure as a percentage of GDP and increase in private sector investment through the PPP route is sought.

Out of total investment planned in the infrastructure sector during the Eleventh Five Year Plan, almost 36% is expected to be contributed by the private sector. In absolute numbers, private sector investment is expected to grow almost 3.3 times in the Eleventh Five Year Plan over the previous plan.

The proportion of investment from the central government in the overall investment is expected to decline from 40% in the Tenth Five Year Plan to 34% in the Eleventh Five Year Plan andthat of state governments is expected to decline from 35% to 30%. Share of investment of the state governments will be prominent in two sectors, almost 96% in the irrigation sector and 61% in the water supply and sanitation sector.

Investment in the irrigation sector will entirely be undertaken by the public sector. Likewise, investment in some other sectors like water supply & sanitation, road development in the rural areas and in some backward & remote regions would largely be provided by the public sector. In some other sectors like ports, airport and telecommunications, the major chunk of the investment of more than 60%, is expected to come from the private sector.

Going forward, to continue to attract large private investment, infrastructure projects will have to be structured on attractive commercial principals with transparent policies and a regulatory environment which still remains a challenge in front of government.

3. Road sector

3.1 Overview of road sector

India has an extensive road network of 3.3 million kms – the second largest in the world. The country's roads carry about 65% of the total freight and 80% of the passenger traffic. The following table shows the bifurcation of the types of roads in the country:

Bifurcation of the types of roads in the country

Type	Kms	% of total
National highways	70,934	2.1
State highways	131,899	4.0
District roads	467,763	14.1
Rural & other roads*	2,650,200	79.8
Total	**3,320,796**	**100.0**

Source: National Highway Authority of India (NHAI) * includes Expressways

National highways serve as the arterial network across the country. Even though they constitute only 2% of all roads, they carry 40% of the road traffic. Moreover, only 21% of them have four or more lanes. In fact, the total length of expressways is just about 1,000 kms in the country. India's road density is 2.75 km per 1,000 people which is abysmally low as compared to a global average of 770 km per 1,000 people.

The Ministry of Road Transport and Highways (MoRTH) is responsible for formulating policies and overseeing the road sector in the country. MoRTH and National Highway Authority of India (NHAI manage the national highways. At the state/district level, state governments, Public Works Departments (PWDs) and infrastructure boards have the responsibility of road development. Rural roads are under the purview of the Ministry of Rural Development (MoRD) and local authorities like Panchayat/Zila Parishad, whereas the urban roads come under Municipal Corporations. Road development programmes such as National Highways Development Programme (NHDP) - implemented by NHAI, Pradhan Mantri Gram Sadak Yojna (PMGSY) – implemented by MoRD and other state level projects are currently underway in the country.

3.2 NHDP - Phase-wise status

Under NHDP, seven phases have been identified to develop the road network in the country. Under Phase I & II, NHDP is implementing its two flagship projects, Golden Quadrilateral (GQ- connecting four metros Delhi, Chennai, Kolkata & Mumbai) and North-South & East-West (NS-EW) corridors. NHDP involves the total investment of about Rs. 2,20,000 crore, covering construction & upgradation of more than 48,600 kms of the road length.

Phase	Details of NHDP
I & II	Four-laning of the GQ and NS-EW Corridors.
III	Four-laning of 12,100 kms high-density national highways.
IV	Two-laning of 14,800 kms of highways.
V	Six-laning of the four-lane highways of 6,500 kms comprising GQ and certain other high-density stretches.
VI	Development of 1,000 kms of expressways.
VII	Other highway projects (ring roads, bypasses, service roads etc).

Source: NHAI

Under NHDP, the GQ project is almost complete while about 78% of the work on NS-EW corridor is complete. The main focus of the Phase III is to improve connectivity between state capitals, high-density regions and tourist destinations.

Status of NHDP

NHDP projects	Total length (Km)	Already completed (Km)	Under implementation (Km)	Balance for award (Km)
GQ	5,846	5,824	22	0
NSEW	7,300	5,683	1,196	421
Phase III	12,109	2,294	5,805	4,010
Phase IV	14,799	0	765	14,034
Phase V	6,500	596	1,918	3,986
Phase VI	1,000	0	0	1,000
Phase VII	700	0	41	659
SARDP-NE	388	0	112	276
Total	**48,642**	**14,397**	**9,859**	**24,386**

Source: NHAI

Of the total road network to be developed under NHDP, work on about 14,400 kms has been completed,while more than 24,386kms of roadways are yet to be developedacross various phases of NHDP.

Phase I and II of NHDP, were predominantly implemented through traditional construction contracts and the roads were mainly owned by NHAI. Private participation was not much involved in these two phases. The government has decided to furnish the ownership of new road projects to the private sector. Most of the contracts, Phase II onwards, are awarded on a Build, Operate & Transfer (BOT) basis.

3.3 Measures taken by government

To speed up the process and implementation of the road projects, GoI has taken various measures as follows:

- NHAI has decided to issue the Letter of Award (LoA) to the road developer after acquiring 80% of the land required for the project (which was previously after 50% of the land acquisition) and the rest 20% will be awarded within 90 days of allotment of the project. This will reduce the possibility of the project getting delayed after awarding the project.
- Concession period for long-term road projects was increased (concession period for long-term road projects is normally 20 years including a three-year construction period) - Cabinet Committee on Economic Affairs has extended a concession period of 10 projects, worth more than Rs.12,000 crore, from an average of 20 years to 25-30 years.
- NHAI has increased the cost of the projects for which the Detailed Project Report (DPR) was prepared before CY 2007 by 20% and by 10% for the DPRs prepared in or post CY 2007.
- NHAI is empowered to accept a single bid - if they are considered reasonable. This will speed up the process of awarding projects.
- A pre qualification exercise has been made as an annual activity instead of a project-to-project basis.
- Removal of Clause 3.5.2 of Request For Qualification (RFQ) - previously this clause used to restrict bidding to top 5-6 bidders but removal of this will now ensure a greater level of participation.

- Traffic risk has been partially mitigated by a provision to increase the concession period by 1.5% (subject to a maximum of 20%) for every 1% shortfall in traffic.
- The exit clause has been modified. As per the new clause the developer or a concessionaire is allowed to sell the entire stake in Special Purpose Vehicles (SPVs) after two years from the commercial operations date (COD) (subject to lenders approval) whereas before the amendment, the concessionaire was suppose to maintain a 26% stake in the project until the end of the concession period. This will limit the risk of the concessionaire.
- Relaxation in termination provisions - if traffic exceeds the designed capacity for a stretch of four years, NHAI would commission a report for capacity augmentation and the concessionaire will be given an opportunity to expand. To make the project viable for the concessionaire, he will be offered an extension of the concession period (upto five years) to ensure that the concessionaire earns an Internal Rate of Return (IRR) of 16% on the proposed incremental investment.
- Viability Gap Funding (VGF) has been raised up, to a maximum of 40% of the project cost (throughout the concession period including the construction phase).

Allowance of real estate development alongside highways can provide an opportunity to earn extra revenue apart from collecting toll. This eventually can lead to toll-free roads as developers can earn revenue from the real estate developed.

3.4 Key road projects awarded in FY09 & FY10

Till FY09 projects under NHDP hadnot witnessed much progress as very few contracts were awarded.

On account of the financial crisis and unfavorable policies, the process of awarding road contracts had lost pace. However in FY10, the process of awarding road projects caught pace and NHAI was able to award about 36 projects under PPP.During FY10, NHAI has awarded 3,360 kms of road projects which has increased to 5,083 kms in FY11.

Key road projects awarded in FY09 & FY10

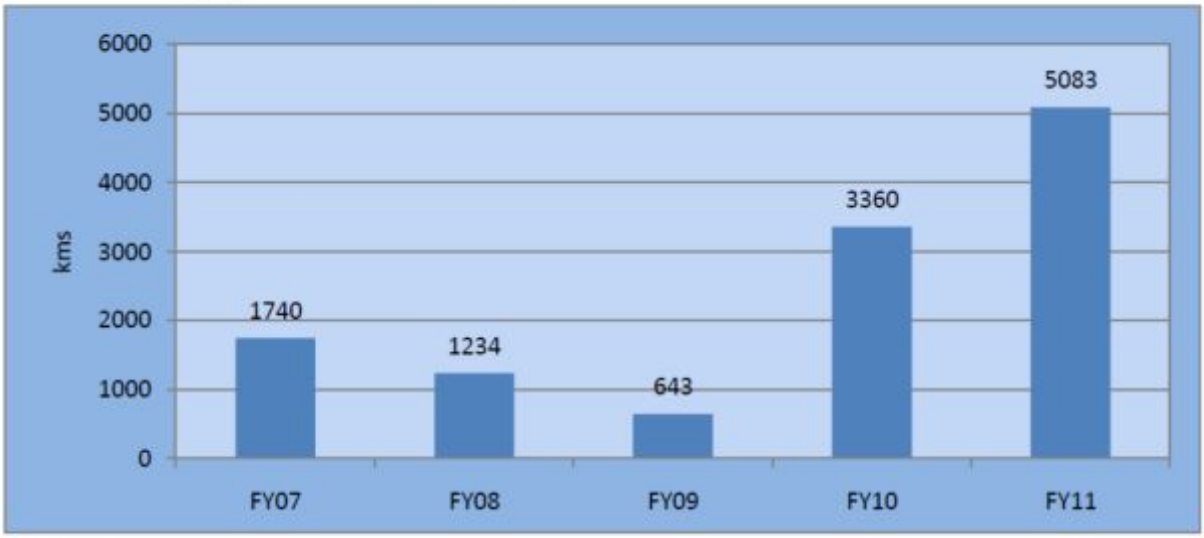
Sr. No.	Name of the project	State	NHDP Phase	Length (km)	Project cost (Rs. Cr.)
1.	Hyderabad -Vijayawada	Andhra Pradesh	III	181.6	1,740.0
2.	Kannur-Vengalem-Kuttipuram (Package I)	Kerala	III	83.2	1,366.0
3.	Kannur-Vengalem-Kuttipuram (Package II)	Kerala	III	81.5	1,312.0
4.	MP/Maharshtra border-Nagpur	Maharashtra	II	95.0	1,170.5
5.	Ghaziabad-Aligarh	Uttar Pradesh	III	126.0	1,141.0
6.	Indore-Jhabua-Gujarat/MP	Madhya Pradesh	III	155.2	1,175.0
7.	Muradabad-Bareily	Uttar Pradesh	III	121.0	1,267.0
8.	Ahemdabad-Godhara	Gujarat	III	117.6	1,008.5
9.	Pune-Satara	Maharashtra	V	140.4	1,724.6
10.	Faraka-Raiganj	West Bengal	III	103.0	1,078.8
11.	Badarpur-Elevated Highways	Delhi&Haryana	V	4.4	340.0
12.	Chennai port-Maduravoyal	Tamil Nadu	VII	19.0	1,655
13.	Pimpalgaon-Nasik-Gonde	Maharashtra	III	60.0	940.0
14.	MP/Maharshtra border-Dhule	Maharashtra	III	98.0	835.0
15.	Gujarat-Maharshtra-Surat-Hazira Port	Guajarat	III	132.9	1509.1
16.	Pune-Sholapur (Package I)	Maharashtra	III	110.5	1110.0
17.	Cuddapah-Mydukur-Kurnool	Andhra Pradesh	III	188.8	1585.0
18.	Vadakkancherry-Thrissuresection	Kerala	II	30.0	617.0

Source: NHAI

GoI is expected to open the bids for more than 24,000 kms of roads under NHDP in next 3-4 years. It has set a target of awarding about 7,300 kms of road projects in FY12.GoI has provided a strong

budgetary support for road development this year. Allocation to the road sector has been increased by 23% to Rs.214bn for year 2011-12.

Trend of road projects awarded (in kms)



Source: NHAI

4. Power sector

4.1 Overview of the power sector

India is one of the largest power-generating hubs in the world. The power-generation capacity of the country has increased from 1,362 MW in 1947 to 173,626 MW by the end of FY11. As at the end of June 30, 2011, the country has a power-generation capacity of almost 177GW. The following table gives the bifurcation of the power-generation capacity through different routes as at June 30, 2011:

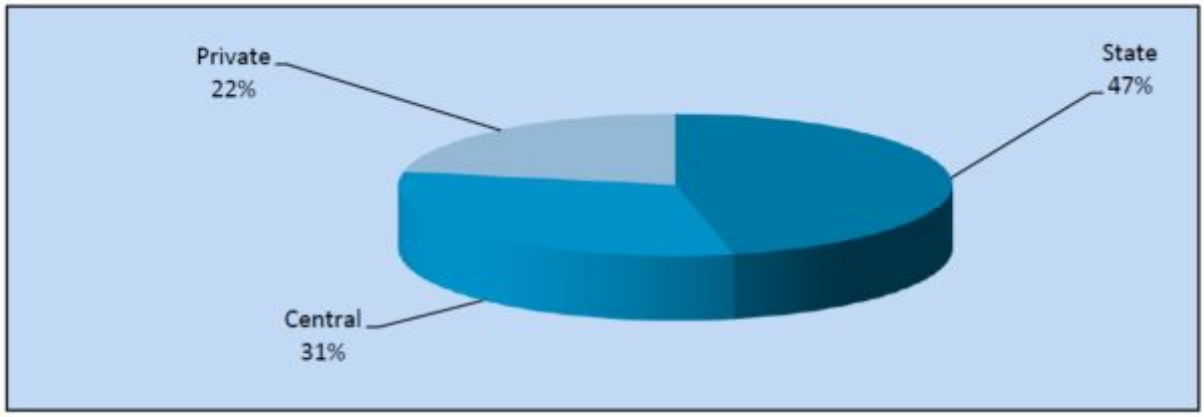
Bifurcation of power generation capacity through different routes

Power generation route	Capacity (MW)	(%)
Hydro	38,106	**21.5**
Thermal	1,15,650	**65.3**
Coal-based	96,743	54.7
Gas-based	17,706	10.0
Diesel-based	1,200	0.7
Nuclear	4,780	**2.7**
Renewable	18,455	**10.5**
Total	**176,991**	**100.0**

Source: Central Electricity Authority (CEA)

In addition to this, there exists a captive generation capacity connected to the grid which is more than 19,500 MW. Out of total the power-generation capacity, the states account for the largest share of installed capacity followed by central & private sectors. State-owned utilities contribute highest atabout 47% of the total capacity, central utilities contribute 31% and the rest is contributed by the private sector.

Sector-wise bifurcation of the installed power generation capacity

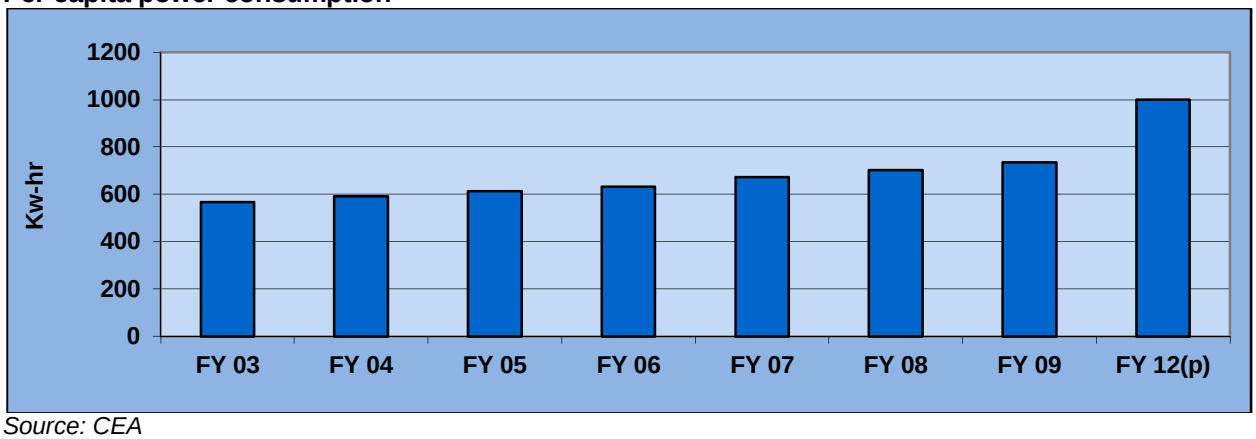


Source: CEA

4.2 Demand and Supply situation of power in the country & Plant Load Factor (PLF)

India's per capita power consumption is on a rising trend. In the period FY03-09, the per capita power consumption in the country has risen from 567 Kw-hr to 734 Kw-hr, registering a CAGR of 4.4%.

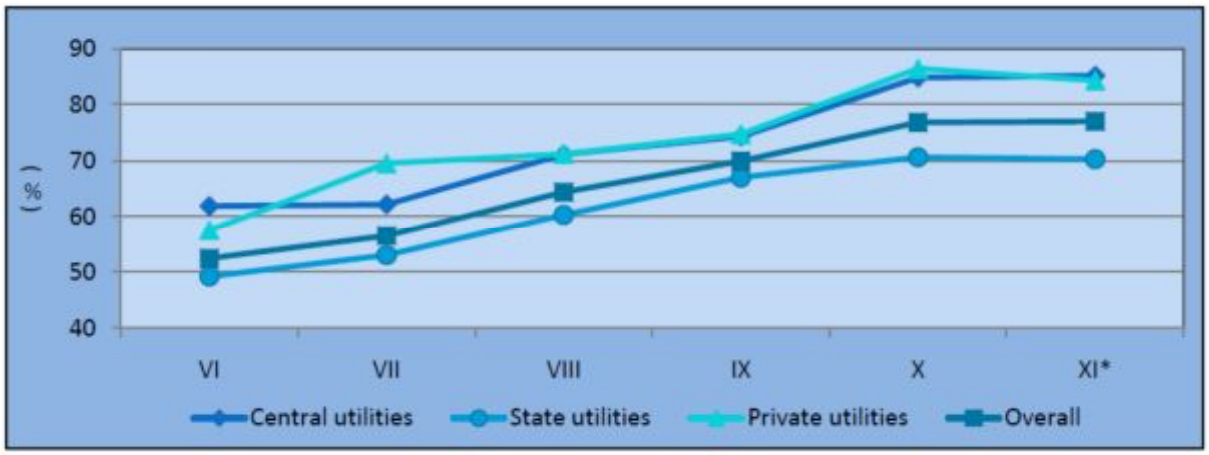
Per capita power consumption



Source: CEA

The targeted per capita consumption by the end of the current Five Year Plan (2011-12) is as high as 1,000 Kw-hr.

Trend of PLF



Source: CEA

* till June11

PLF of a power generating plant has been consistently improving in the last few Five Year Plan periods.

India is still facing a huge power deficit. The demand-supply gap in the energy requirement has increased from 6.7% in theSixth Five Year Plan to 9.9% by theTenth Five Year Plan. In the current Five Year Plan, the average power deficit has further slightlydeclined to a level of about 8.5% in FY11. The following chart shows the trend of a demand-supply gap in the energy requirement in last few Five Year Plans:

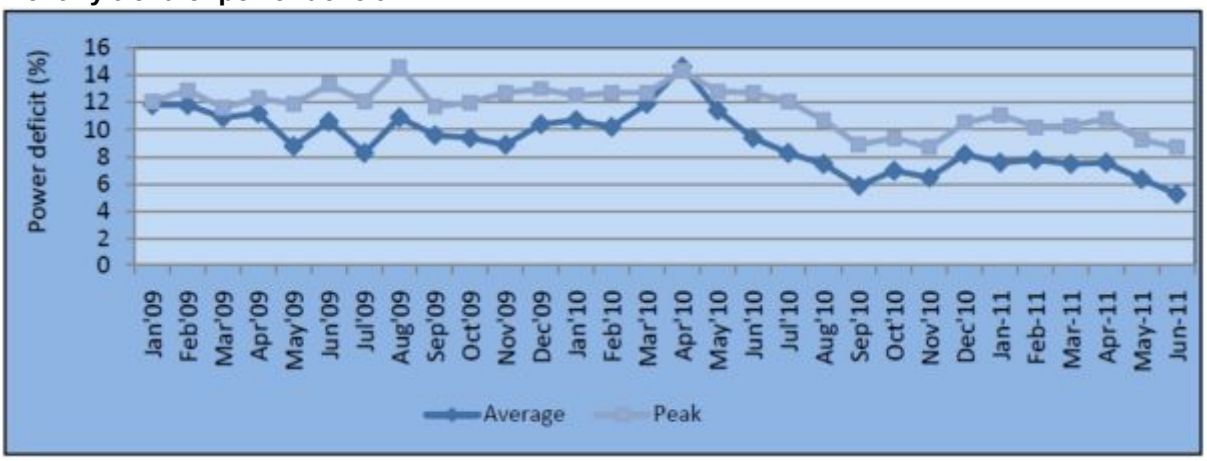
Trend of demand-supply gap in the energy requirement

Source: CEA

* at the end of FY11

In FY11, the average peak power deficit in the country wasabout 11%.

Monthly trend of power deficit



Source: CEA

4.3 Power-generation capacity addition

The power-generation capacity addition in the country has not able to keep pace. During the Tenth Five Year Plan, GoI had planned to add about 41,110 MW of power-generating capacity. However, the country could achieve about 27,284 MW of capacity addition. During the Eleventh Five Year Plan, GoI has set an ambitious target of adding 78,700 MW of capacity.

Target power generation capacity addition – Eleventh Five Year Plan

	Hydro	Thermal	Nuclear	Total
Capacity (MW)	15,627	59,693	3,380	78,700
(%)	19.9	75.8	4.3	100.0

Source: CEA

During the first four fiscals of the Eleventh Five Year Plan, the target for capacity addition has been broadly missed, as only about 37,972 MW (upto June 11) of capacity has been added in this period. Capacity addition planned during FY11was about 21,441 MW, against which the country has witnessed a capacity addition of about 12,161 MW. During the first threemonths of FY12, only 3,509 MW of capacity has beenadded as against the target of 17,716 MW. The following table gives details of generation capacity addition during the last three fiscals:

Capacity addition – Target Vs Achieved

FY09				
(MW)	**Hydro**	**Thermal**	**Nuclear**	**Total**
Target	1,097	9,304	660	**11,061**
Achievement	969	2,485	0	**3,454**
FY 10				
(MW)	**Hydro**	**Thermal**	**Nuclear**	**Total**
Target	845	13,002	660	**14,507**
Achievement	39	9,106	440	**9,585**
FY 11				
(MW)	**Hydro**	**Thermal**	**Nuclear**	**Total**
Target	1,466	18,755	1,220	**21,441**
Achievement	690	11,251	220	**12,161**
FY 12				
(MW)	**Hydro**	**Thermal**	**Nuclear**	**Total**
Target	2,080	14,636	1,000	**17,716**
Achievement*	539	2970	0	**3,509**

Source: CEA * Upto June 2011

GoI has given the highest priority to increase the power-generation capacity to bridge the gap between the demand and supply in the country. Various opportunities to facilitate increase in power-generation capacity in the country include - untapped hydel power potential of 150,000 MW, renovation/modernisation of old thermal and hydro power plants, increased private participation through Ultra Mega Power Plants (UMPPs) and development of coal-based plants at coastal locations, natural gas/Compressed Natural Gas (CNG)-based turbines near gas terminals etc.

4.4 Power Transmission & Distribution ("T & D")

India's power transmission lines have grown from 3,708 circuit kilometers (ckm) in 1950 to about 243,046 ckm till March 2011. During FY12(till June), the country has added about 2,428 ckm of transmission lines. Power Grid Corporation (PGC) is the government agency responsible for planning and developing the inter-regional power transmission network across the country.

The investment in the transmission and distribution sector had been lagging compared to that in power generation. Due to lack of core investment, the current transmission network in the country has been formed by interconnecting relatively smaller networks across different states. As a result, the current T & D system is burdened to about 90% of its capacity which is much higher than the global

standards. Due to these deficiencies, power losses in the T & D system are at substantially higher levels. The following chart shows the trend of T & D losses over past few years:

Trend of T&D losses

Source: CEA

GoI is focusing on developing a transmission network to facilitate inter-regional transfer of power and also trading of merchant power. During the Eleventh Five Year Plan, GoI has set a target of enhancing the inter-regional power-transmission capacity to 37,000 MW. It is also targeted to increase the network of transmission lines to about 293,000 ckm by the end of CY 2012. The work to create a countrywide power transmission grid is catching pace. GoI is also focusing on PPP in the power transmission sector.

4.5 Private participation & government initiatives

GoI has provided lot of fiscal incentives to promote power generation in the country like customs duty on import of capital goods for mega power projects is reduced to zero, income tax holidays for generating plants, increased External Commercial Borrowing (ECB) limits, deemed export benefits to domestic bidders etc.

GoI has also initiated the Accelerated Power Development and Reform Programme (APDRP) in 2000–01 to improve efficiencies and the financial health of the power sector. Through revised APRDP, funds are made available directly to the utilities rather than through state governments. To facilitate investment in the power sector, GoI has allowed 100% Foreign Direct Investment (FDI) in the power sector.

UMPPs

The major chunk of the private investment in the power sector is expected to come through UMPPs. GoI has identified the development of nine UMPPs of 4,000 MW each. Cost of each project has been estimated at about Rs.16,000 crore. Power Finance Corporation (PFC) is the nodal agency for setting up the SPVs for these projects. PFC is responsible for facilitating the land acquisition, securing coal blocks, bidding process, clearances and approvals etc. Through tariff-based competitive bidding, a successful bidder is finalised who then takes over an SPV from PFC.

Five coastal sites have been identified for these projects. Out of the total nine UMPPs, four projects have been awarded to private players. Out of two coastal sites, Mundra in Gujarat is awarded to Tata Power and Krishnapatnam in Andhra Pradesh is awarded to Reliance Power belonging to the Anil Dhirubhai Ambani Group (ADAG). Reliance Power has bagged three UMPPs. Out of four pithead sites identified, Sasan in Madhya Pradesh and Tilaiya in Jharkhand have been awarded to Reliance Power. After receiving an approval from Environmental Ministry, GoI has invited bids for fifthUMPPto be set up in Orissa. Almost twenty companies have applied for the same but Reliance Power did not participate.

Apart from UMPP, there are various opportunities across the entire gamut of the power sector. Many private players are focusing on independent power generation and captive power generation. Also, a greater number of private players are expected to enter the distribution sector.

5. Real Estate sector

5.1 Overview of the Real Estate sector

The real estate sector in India is highly fragmented with many regional players, who have a significant presence in their respective local markets. The sector is one of the largest employers providing employment across various skill sets thereby significantly contributing to the overall economic development. Though unregulated, this sector is directly affected by changes in government policies like Floor Space Index (FSI), related regulations and any changes in the approvals required for the projects from various government bodies, usually at the state level. Highly correlated with the economy, the growth of the sector is supported by favorable demographics, increasing urbanization, availability of finance and rising income levels.

The key risks associated with the real estate sector are mainly the cyclical nature of the business, interest rate fluctuations and changes in government policies. Any reversal in the economic cycle, fall in demand as a result of excessive increase in prices and/or increased supply affects the cash flow of the developers. Besides, the adverse movement in interest rate affects the real estate players in both ways by hampering the demand as well as increasing the cost of construction. Transparency in real estate transactions is always questioned. The recent unveiling of the loan scam has again highlighted the transparency issues and the weak corporate governance practices.
The demand for the real estate sector can be categorized mainly into three segments viz. residential, commercial and retail. While demand for residential space is determined by a combination of factors such as property price trend, individuals' income levels, interest rates and the employment market scenario, the demand for the retail and commercial segments is directly correlated to the state of the economy.

The prices of residential, office and commercial properties had shot up considerably during the period FY06-FY08, led by increase in demand, overall economic development as well as substantial funds available from foreign investments. Thereafter, many negative events like the global slowdown, drop in demand, especially in the commercial and retail segments and tight liquidity conditions led to a severe downturn in the real estate industry in FY09. Consequently, the developers were holding large inventories and the overall liquidity crunch further led to the debt trap.

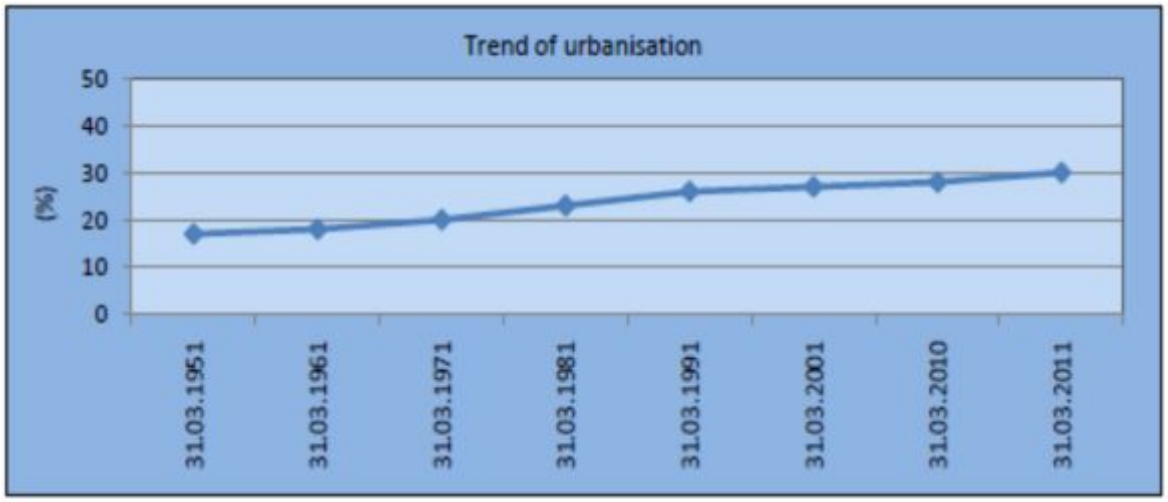
However, the Government's efforts to support the real estate sector gave the much-needed liquidity to the sector. Reduced home loan rates, excise duty cuts on steel and cement, extension of tax benefits and improved economic outlook etc provided a breather to the real estate sector during FY10.However, with the rising interest rates, demand of real estate has witnessed some slowdown in FY 11.

5.2 Brief on key segments – Residential, Retail and Commercial

Residential Segment
Demand in the residential segment was mainly driven by rising population, increasing trend of urbanisation, in past few decades. Since FY 51, country's population living in urban region has been estimated to increase from about 17% to almost 30% in FY 11.

Source: CMIE

Moreover rising income levels of a growing middle class, nuclearisation of families and tax incentives provided momentum to the demand for housing.



Source: CMIE

During CY 2007, booming economy and increased income levels kept the demand in the residential segment buoyant. This was the time when most developers embarked on high-margin premium housing projects. However, increased interest rates, fear of job loss and anticipation of fall in property prices, reduced the demand during the slowdown in FY09. During the period January 2008 till the mid of 2009, the residential real estate prices across the country declined on an average by over 25-30% from their peak levels. Demand for the premium segment dried up. The industry faced a demand supply mismatch as not many projects catered to the existing demand for affordable housing. Consequently, many developers launched affordable housing projects and went for smaller unit sizes in the existing projects to make the offerings more affordable.

Post the economic downturn, the sector showed signs of recovery in both volumes as well as property prices, with prices of residential units registering a sharp rise. In case of the residential segment, the demand revived after June 2009. Buyers showed renewed interest in the housing market, on the back of decline in prices, lower interest rates and a gradual improvement in the economic scenario. After the second half of FY10, the real estate sector witnessed revival of demand in the premium segment as well. With improved demand, developers resorted to an increase in prices. In some areas, the prices almost retreated to the previous peak levels observed during FY08. However, in FY11, the prices have shown stagnation and volumes have dropped. Even in some regions, real estate prices have also witnessed some softening. Buyers have been differing plans to purchase a houseas current prices are perceived to be very highin the scenario of rising interest rates.

Commercial Segment

During CY 2007, demand for commercial real estate was mainly driven by the flourishing services industry especially the IT-BPO sector. Besides, various sectors saw an easing of FDI norms that further generated demand in the office space segment. As the supply was low compared to the demand, rentals witnessed considerable upward movement. However, with the beginning of the global meltdown in CY 2008, the scenario changed dramatically. Demand plummeted due to the economic slowdown; companies either shelved or deferred their expansion plans. Due to increased vacancy and fall in lease rentals by about 30-40%, developers were forced to either suspend their projects or convert them into residential projects.

The commercial real estate market, mainly in Tier I cities, showed signs of revival late in CY2009 on the back of demand from the financial services sector and recovery in IT and retail sectors. There was a pick-up in leasing activity with the economy regaining momentum and an improvement in liquidity. Although the demand has revived, many micro-markets still face a situation of oversupply.

Retail segment

Organised retail was the buzzword in the year 2007. Growth in the retail industry along with the entry of foreign players drove the demand for retail real estate during FY07-08. However, retail was one of the hardest hit sectors during the downturn. As consumer spending reduced, the revenue as well as profitability of the retail players was hit. They in turn deferred their expansion plans forcing the developers to either delay their projects or scrap them entirely. During CY2009, the vacancy rate increased to about 20% in Mumbai as well as the National Capital Region (NCR). During this period, lease rentals witnessed a fall by around 30-40%. To improve occupancy levels, many developers opted for revenue sharing models (along with a provision of minimum guaranteed rental) as against the fixed rental models.

With the improved economic scenario, the demand in the retail segment has improved. However, an oversupply situation still exists. Therefore, lease rentals, which have remained stable, are unlikely to go up in the near future.

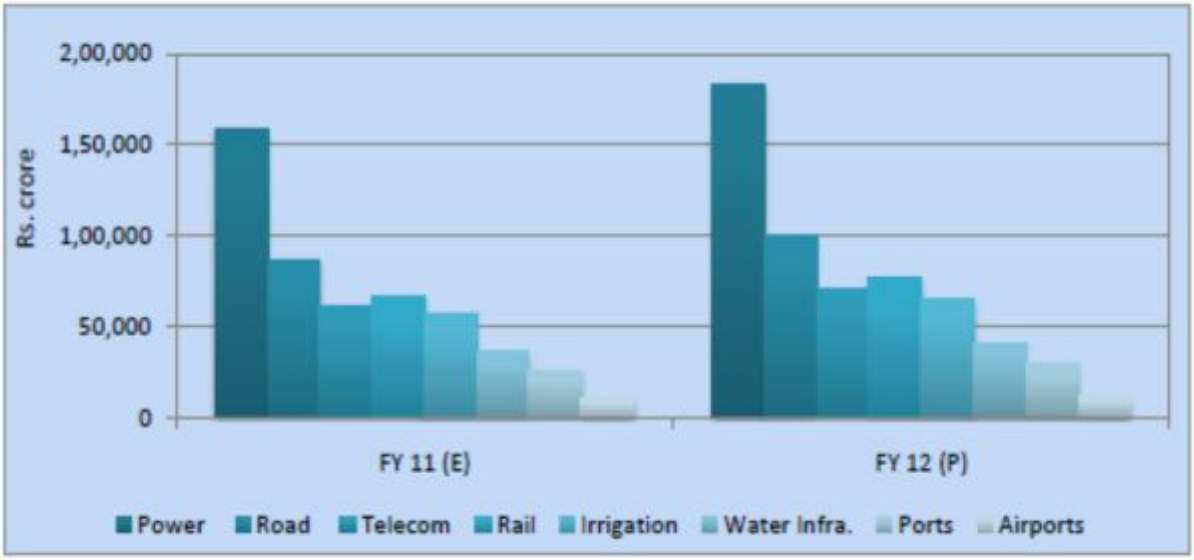
6. Outlook

6.1 Outlay in Infrastructure sector

Investment in the infrastructure sector plays a crucial role in the growth of the economy of the country and in turn the construction industry. GoI has set an ambitious target of increasing the proportion of infrastructure investment to about 9% of GDP by the terminal year of the Eleventh Five Year Plan. The construction industry has the opportunity to capitalise on the massive order flow expected to come from the infrastructure projects.

The following chart shows the trend of expected investment in different sub-sectors of the infrastructure sector:

Bifurcation of investment in different sub-sectors of the infrastructure sector



Source: Planning Commission

Almost halfof the investment planned is expected to flow into the road and power sectors.

GoI had set a target of adding 78,700 MW of power-generation capacity in the Eleventh Five Year Plan. Out of this target capacity, only about 34,463 MW of capacity has been added in the first four years of the current Five Year Plan. Accordingly, GoI has given the highest priority to increase the power-generation capacity in the country.

In line with the target of developing 20 kms of road everyday (as against the current 4-5 kms per day), the road sector is also one of the key focus areas.

Effective construction investment from the infrastructure sector

The following table shows the bifurcation of expectedinvestment across different segments of infrastructure in the period FY 11-12 and the corresponding effective construction investment:

Bifurcation of estimated investment across different sectors

Rs. Billion

Infrastructure Sector (FY 11-12)	Proposed Investment	Construction Intensity (%)	Effective Construction Investment
Power	3,044	38	1,157
Roads	1,331	63	839
Railways	877	78	684
Telecom	1,967	20	393
Irrigation	1,135	80	907
Water supply & sanitation	507	66	335
Ports	202	50	101
Aviation	146	40	59
Total			**4,475**

Source: Planning Commission, Construction Industry Development Council (CIDC) and CARE Research

The effective construction investmentin the period FY 11-12 is estimated to be about Rs.4,475 bn.

A peep into the Twelfth Five Year Plan

Thrust on the infrastructure development is expected to continue beyond the current Five Year Plan into the Twelfth Five Year Plan. The Planning Commission has estimated that for the GDP to continue to grow at 9%, the proportion of investment in infrastructure is required to increase from the targeted 9% in FY12 to 10.25% by the terminal year of Twelfth Five Year Plan in FY17. The following table shows the corresponding infrastructure investment in each year:

Trend of anticipated infrastructure investment in the Twelfth Five Year Plan

Rs. bn	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
GDP	63,788	69,530	75,787	82,607	90,043	98,146
Infra. as % of GDP	9.0	9.25	9.50	9.75	10.0	10.25
Infrastructure invst.	5,740	6,430	7,200	8,055	9,004	10,060
Anticipated infrastructure investment in the Twelfth Five Year Plan – Rs.40,750 bn						

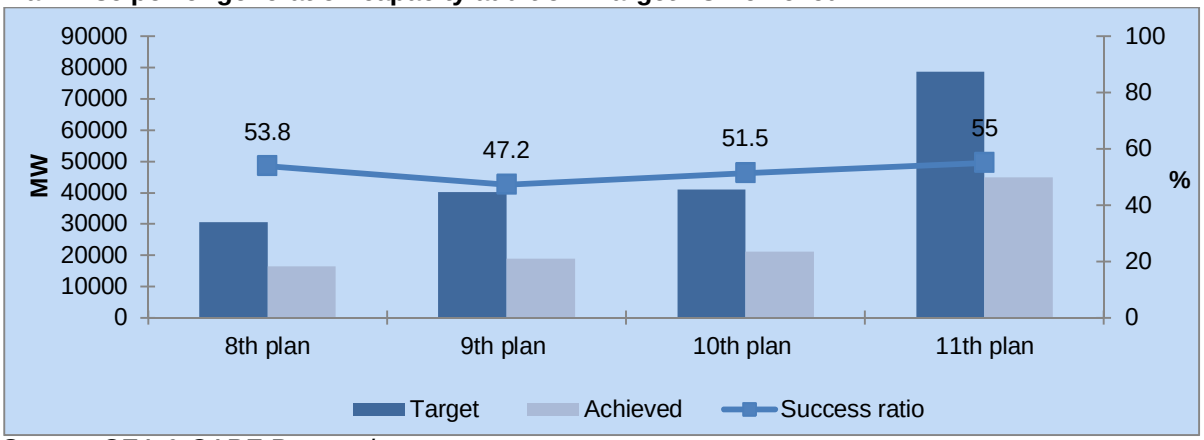
Source: Planning Commission

Using the top-down approach, the investment in the infrastructure sector is estimated at a massive Rs.40,750 bn during the Twelfth Five Year Plan.

6.2 Power sector& effective construction investment

India is facing huge power deficit, the peak power deficit has reached the level of almost 11% in FY11. GoI will have to focus on spending a major portion of the infrastructure expenditure towards the power sector in the coming years. GoI has set an ambitious plan to add 1,00,000 MW of power-generation capacity in the Twelfth Five Year Plan. Power-generation capacity addition in the last three five year plans has not been very encouraging. The country has failed to achieve the targets by significant differences in the past few plans.

Plan-wise power generation capacity addition: Target Vs Achieved



Source: CEA & CARE Research

The success ratio was in the dismal range of 47% to 54% in Eighth to Tenth Five Year Plans. Reasons for the slippage in the target have been identified as shortage of equipment, delay in land acquisition & environmental clearances, financial constraints, manpower shortage etc. Even in the current plan, the success ratio was about 55% during the first fouryears and is expected to remain in the range of about 55-57% in the last fiscal.

Private sector to play a crucial role in power capacity addition

The share of the private sector in the total installed capacity has grown from 4% in 1990 to 13% till the end of Tenth Five Year Plan. Out of 174GW of generation capacity as on March 31, 2011, the

proportion of the private sector has risen to about 21%. Considering the yearly capacity addition, the share of the private sector has increased from 8% in FY08 to 42% in FY11. The government has estimated that almost 60% of the capacity addition in the Twelfth Five Year Plan will be contributed by the private sector.

The government has taken various reforms to encourage private sector participation like trading of power, allocation of captive coal blocks etc. The private sector, through UMPPs and other independent power projects, is expected to participate in a big way to achieve the mammoth target set by GoI. Private sector companies have announced a plethora of new projects in the power sector. Currently, the capacity addition announced by the private sector companies has aggregated to more than 100 GW. Out of this planned capacity, almost 30,000 MW is under construction and projects of about 75,000 MW of capacity addition are outstanding. Adding to this, the capacity addition planned as by the central and state sector utilities, the power sector has total outstanding capacity addition projects aggregating more than 100 GW. The construction sector is expected to witness a flurry of orders from the power-generation segment. Assuming the success ratio of 60% in the Twelfth Five Year Plan, it is estimated that the construction investment corresponding to the capacity addition of about 45,000 MW for thermal power and 15,000 MW for hydro power.
Construction companies get orders for civil/structural work and Balance of Plant (BoP) work for a power plant project. The construction component accounts for about 30% to 65% of the total project cost depending on the type of the power project. The following table shows the respective project cost, the construction component and corresponding investment:

Thermal Power project	
Cost per MW	Rs. 5 crore
Civil/Structural/BoP work	30%
Construction component per MW	Rs. 1. 5 crore
Total construction component for 45,000 MW	**Rs. 67,500 crore**
Hydro Power project	
Cost per MW	Rs. 7 crore
Civil/Structural/BoP work	65%
Construction component per MW	Rs. 4.6 crore
Total construction component for 15,000 MW	**Rs. 69,000 crore**

Source: CARE Research

From the power generation segment alone, construction orders worth almost Rs.1,370 bn are expected to flow to the construction sector in the next 3-4 years. Even the power transmission capacity is projected to increase from the current level of 22,350 MW to about 37,000 MW which will further enhance the level of investment in the T&D segment. This massive investment in the power sector is expected to keep the momentum of the order inflow to the construction sector.

6.3 Road sector& effective construction investment

GoI has launched NHDP to develop and upgrade the national highways in the country. NHDP involves the construction & upgradation of more than 48,600 kms of the road length. Out of this, work on about14,397 kms has been completed. Across various phases of NHDP, more than 24,386 kms of roadways are yet to be developed. The following table shows the phase-wise projects to be awarded and the corresponding investment:

Phase-wise expected investment in the road sector

Phase	Balance length to be awarded (kms)	Cost per Km (Rs. crore)	Expected investment (Rs. bn)
I & II	421	10	42
III	4,010	10	401
IV	14,034	5	702
V	3,986	10	399
VI	1,000	15	150
VII	659	20	132
SARDP-NE	276	10	28
Total	24,386	-	1,853

Source: NHAI and CARE Research

NHAI, is likely to award the projects to the tune of more than Rs.1,850 bn in the period of the next 3-4 years. Considering the construction component, potential orders worth about Rs.1,300 bn are expected to flow to the construction sector.

To develop the express highways, the Ministry of Highways has proposed to set up a National Expressway Authority of India on the lines of the NHAI. This authority will be responsible only for the development of express highways across the country. The building of expressways is expected to involve a much higher level of investment of about Rs.20-25 crore per km. Apart from this, the development of rural roads and the upgradation of old roads will also throw large opportunities to the construction industry.

GoI intends to involve private players in road development and furnish ownership of road projects to them in contrast to their mere involvement through construction contracts. Accordingly, most of the contracts, Phase II - NHDP onwards are awarded on a BOT basis. A shift from the traditional cash contracts to the BOT toll and annuity projects has thrown an opportunity for the construction companies to participate in the rally of road development in the country. To encourage the private participation in the road sector, the Ministry of Road has taken various steps in the past few years. Relaxation of land acquisition norms, providing cost overruns and increase in concession period are some of the initiatives taken by the Ministry in the recent times. NHAI has decided to provide almost 80% of the land acquisition before awarding the project. This will not lead to any time overrun and ensure optimum utilisation of equipment/manpower and guarantee no revenue loss for the construction companies in case of PPP projects.

6.4 Opportunity from the Industrial Sector

Outstanding investments in the Industrial sector

As on June 30, 2011, the total outstanding investment in the industrial sector stood at about Rs.35,000 bn. Of the total outstanding investment in the industrial sector, about 40% of the projects are under implementation for which contracts have already been awarded to the construction companies. In order to estimate the effective investment likely to flow to the construction industry, CARE research has omitted the investments corresponding to the projects which are already under implementation from the total outstanding investment to arrive at the investment on the board.

The following table depicts the expected investments on board across different manufacturing sectors as at the end of June 2011 and the corresponding effective investment which can flow to the construction industry based on the construction component.

Construction opportunities from Industrial sector

Rs. Crore

Sectors	Investments on Board	Construction component
Iron & Steel	9,04,650	1,80,930
Non-ferrous metals	46,436	9,287
Oil & Gas (including Petroleum products)	3,26,752	65,350
Chemicals	2,52,112	50,422
Fertilisers	63,755	12,751
Drugs & pharmaceuticals	16,777	3,355
Machinery	1,19,360	23,872
Mining	1,11,375	22,275
Non-metallic mineral products	18,616	3,723
Cement	1,43,572	28,714
Automobile	66,554	13,311
CV	*9,248*	*1,850*
Passenger cars & MUVs	*14,105*	*2,821*
Two & three-wheelers	*5,302*	*1,060*
Other transport equipment	*37,899*	*7,580*
Automobile ancillaries	8,900	1,780
Food & Beverages	29,408	5,882
Textiles	16,806	3,361
Miscellaneous Manufacturing.	3,367	673
Paper & Paper Products	14,416	2,883
Total	**21,42,856**	**4,28,571**

Source: CMIE and CARE Research

CARE Research has estimated the effective construction investment by considering the construction intensity of 20% on an average across all the industrial projects. Correspondingly, industrial investment could potentially translate into the effective construction investment of more than Rs.4,200 bn. Owing to low construction component in case of industrial projects, investment getting translated into effective construction investment is not high as compared to the infrastructure sector.

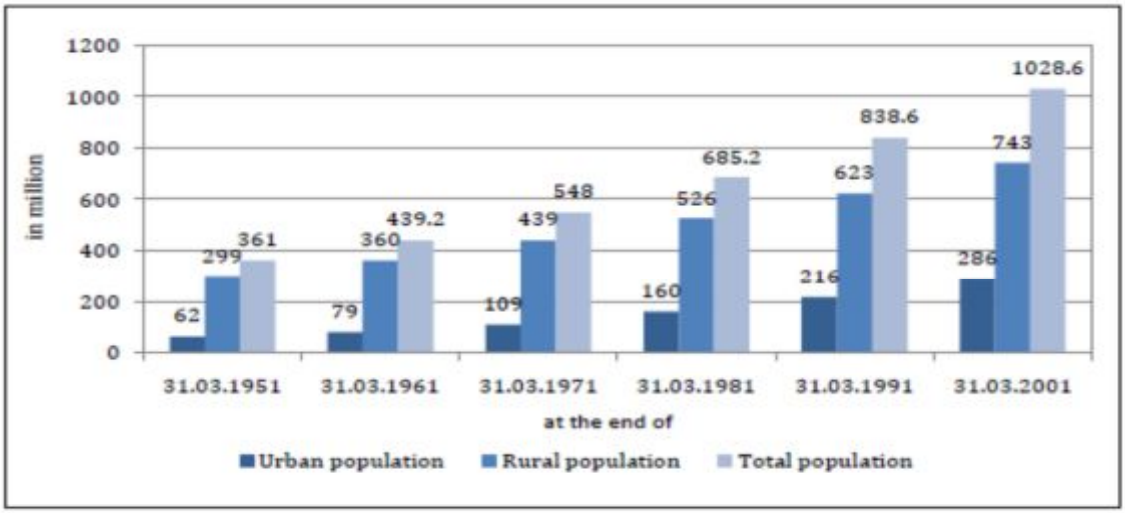
6.5 Brief outlook on the Real Estate Sector

After emerging from the slowdown, recovery in the economy provided some relief to the commercial and retail segments of the real estate sectorin FY10 alongwithhousing segment. But, due to rising interest rates scenario in FY 11, the real estate sector witnessed some slowdown. However, there is a huge unmet demand in the case of low-cost as well as affordable housing segment driven by the rapid urbanisation. The demand in this segment is sustainable as witnessed during the downturn with affordable housing being the sole product in real estate which led the recovery. Slum rehabilitation also provides immense opportunity to the developers in the cities. Apart from good growth prospects, transparency is also bound to improve with the participation of foreign investors as well as entry of some of the big corporate houses. Therefore, players with a strong balance sheet and better corporate governance practices would not find it difficult to tide through the rough phase and grow along with the economy.

Annexure

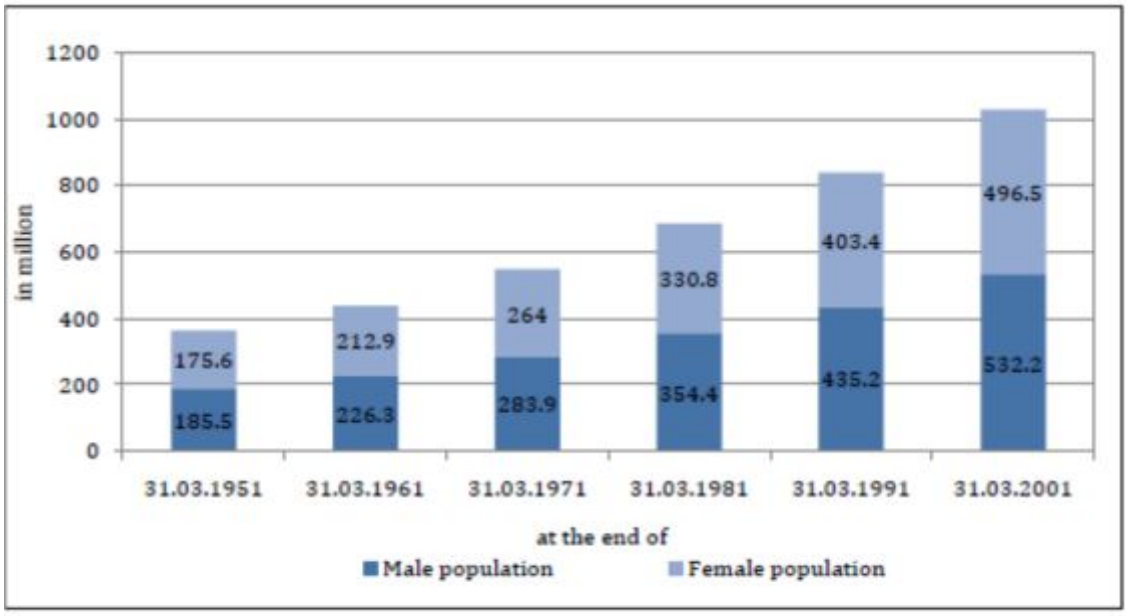
Population trends

Bifurcation of urban and rural population as per census



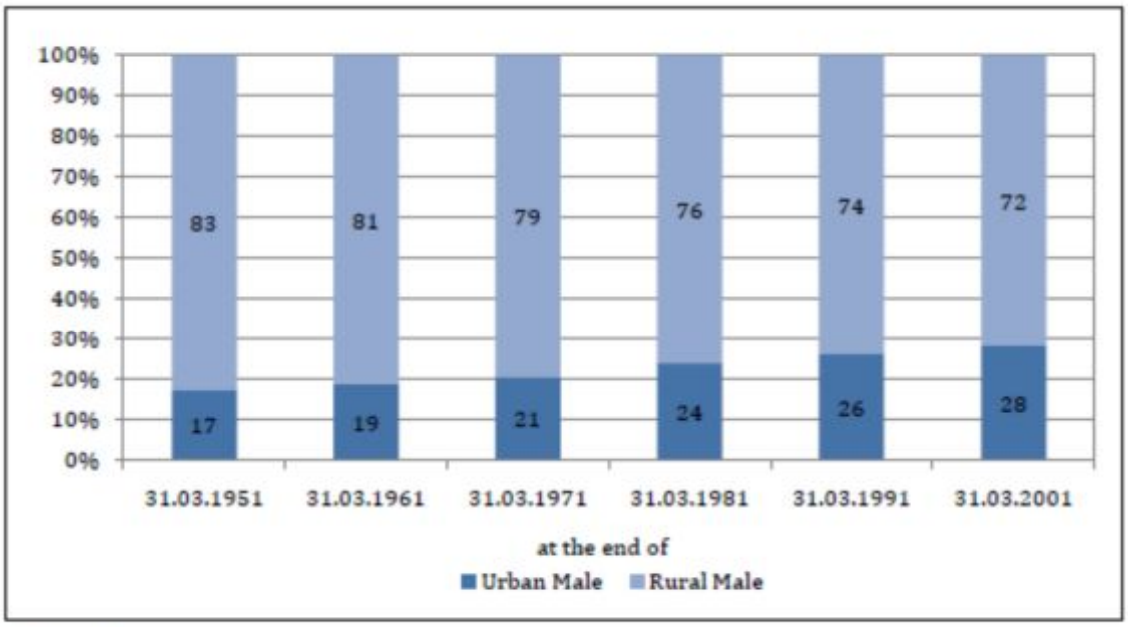
Source: CMIE

Bifurcation of male and female population



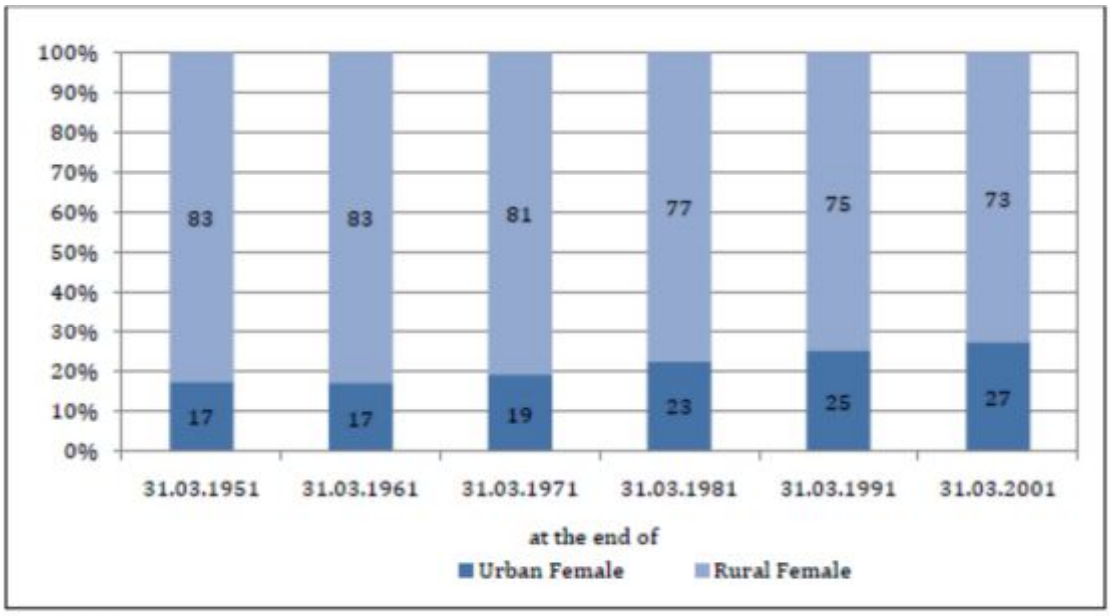
Source: CMIE

Bifurcation of Male population – Urban & Rural



Source: CMIE

Bifurcation of Female population – Urban & Rural



Source: CMIE

BUSINESS OVERVIEW

We are a construction company predominantly engaged in the business of infrastructure development and civil construction. We are a fast growing company that provides integrated engineering, procurement and construction services. We believe in providing high quality and innovative projects on a timely basis. We undertake projects for various Government / semi-government bodies and other private sector clients. Our Company is headquartered at Nasik, Maharashtra and has operations across the state of Maharashtra.

We focus on the following segments of construction:

- Infrastructure development; including construction and maintenance of roads / highways, bridges, including projects on public private partnership (PPP) model, industrial parks, work-shops, hospitals, educational institutions;
- Civil construction; including, Government staff quarters, hostel buildings and auditoriums;
- Residential and commercial real estate construction

Our Company is registered as Class 1A contractor with the Public Works Department, Government of Maharashtra; wherein we can bid for a range of contracts without restriction on any cost parameters. Further, our Company is also registered with other Government/semi-government bodies to bid for various types of construction projects.

Highlights of key projects undertaken by us

- Construction of dwelling units at Indian Army Station, Deolali (Maharashtra), a project awarded by NBCC (National Building Construction Corporation), New Delhi;

- Construction of Cancer Hospital and Research Centre at Aurangabad (Maharashtra), a World Bank project awarded by Public Works Department, Aurangabad;

- Construction of factory buildings and shed for Islampur Integrated Textile Park Private Limited, Sangli (Maharashtra);

- Construction of 'Police Training School' together with related infrastructure and amenities at Sangli (Maharashtra) awarded by Maharashtra State Police Housing and Welfare Corporation, Mumbai. This campus was accredited as the first green campus project in the country and awarded *'Four Star rating'* by the Association for Development and Research of Sustainable Habitats. The Company was also *awarded 'CIDC (Construction Industry Development Council) Vishwakarma Award'* for this project by CIDC, a body set-up by The Planning Commission of India jointly with the Indian Construction Industry.

In addition, the Company has been honored by '*Builders Association of India'* for '*Best Building of the Year-2006-07*' under *'Institutional Building'* category, for construction of *'College of Engineering NDMVP SAMAJ - Nasik'* project. The Company has done specialized foundation work for the '*Grand Pagoda'*situated at Gorai, Mumbai.

Our Income from operations on a consolidated basis as per the restated financials has grown from ` 2,639.96 lakhs in the year 2007-08 to ` 12,691.45 Lakhs in the year 2010-11 exhibiting a compounded annual growth rate of 68.77 % over the period of past four financial years.

Our Profit after tax on a consolidated basis as per the restated financials has grown from ` 306.31 lakhs in the year 2007-08 to ` 1064.59 Lakhs in the year 2010-11 exhibiting a compounded annual growth rate of 51.47 % over the period of past four financial years.

Our Strengths

- ***Experienced management and a well trained employee base***

Mr. Prakash P. Laddha, our Promoter and Whole Time Director, has over three decades of entrepreneurial experience in the infrastructure and construction industry and is a first generation entrepreneur. Mr. Krishnan G. Trichur, our Managing Director has over 40 years of experience, including experience into infrastructure industry. Our management team also plays an instrumental role in decision making process considering their vast experience in the construction industry. We believe we have a well qualified and experienced employee base, which is responsible for the growth in our business operations.

- ***Successfully completed a number of projects awarded by Government / semi-government bodies***

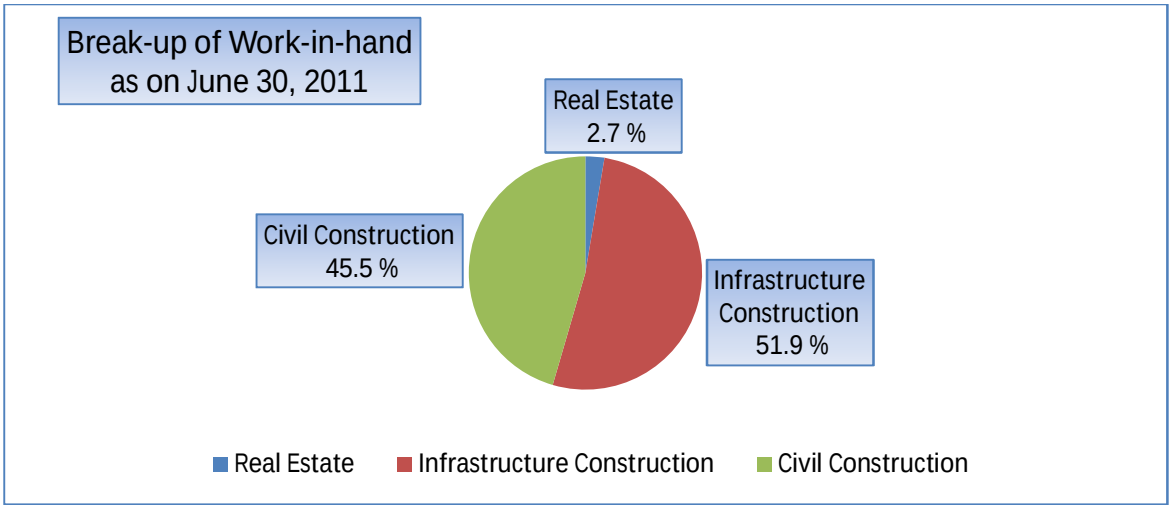
The Company has over 15 years of experience in the construction industry and has executed many projects for Government and semi-government agencies. Due to our focus on quality and timely execution of projects, we have earned repeat orders from our clients like Public Works Department and Maharashtra State Police and Housing Corporation to name a few. The experience that we have gained over the years and our understanding of the business, among other factors, enables us to pre-qualify for the bids we participate in.

- ***Successfully completed BOT project by way of PPP model***

We have successfully executed BOT project at Arni, Yeotmal on Public-Private Partnership (PPP) model. The project included construction of by-pass road and widening of several bridges in between Arni to Mahagaon, Yevatmal along with construction of new bridge on Nagpur-Bori-Tuljapur Road. We have also developed a commercial complex at Arni, Yeotmal for MSRTC. Successful completion of the BOT project and our extensive experience in construction, operation and maintenance of highways, roadsand buildings would enable us to capitalise on the opportunities available in this growing sector of the Indian economy.

- ***Diverse order book***

We have, over the years, leveraged our civil construction expertise in diverse segments of the construction and infrastructure industry such as roads, bridges, buildings and industrial parks. As of June 30, 2011, our order book, was ` 15080.67 lakhs and is spread across the construction sectors in which we operate. Each of these construction activities requires specific skill sets and experience which have been developed by our Company for the timely execution of the projects in these sectors. The below chart explains the kind of construction projects we are going to execute in near future.



We believe that the size and diversification of our order book may enable us to sustain our financial condition and results of operations through difficult economic climate and reduce our dependence on any particular segment and negate cyclical risks associated with the provision of construction services

to a particular industry or sector. Successful execution of the projects in our order book will, we believe, enhance our reputation and provide us with a competitive advantage.

- ***Technical expertise and vast industry experience***

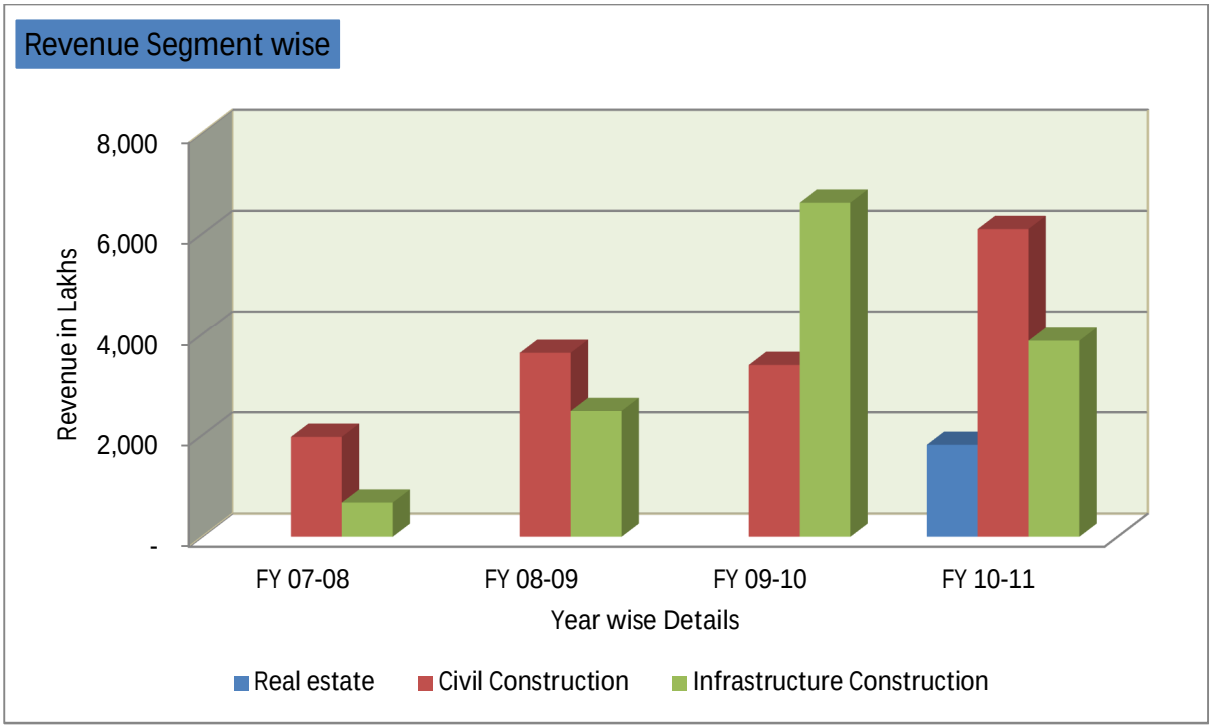
The Industry in which we operate demands high level of skill sets. We have qualified and trained employees consisting of project managers and supervisors, technical staff and non-technical staff. We benefit from a well-qualified workforce which has assisted in the implementation of our business strategies in the past. Our supervisors are skilled in terms of technical expertise and experiencedto handle our contracts. This gives us the ability to serve the needs of our clients and execute the technical requirement of diverse projects that we undertake. Experience gathered over the years by our management team backed by on-the-job training ensures that we meet the highest standards of quality and workmanship in a cost effective manner while strictly adhering to committed timelines in delivery. We believe that our expertise in project implementation and commitment of our project managers and their support team provides us with a competitive edge over others.

- ***Track record of timely completion of Projects***

It is critical in the construction industry that projects are completed as per contracted schedule. We have a track record of timely execution of the projects which minimizes cost overruns and eliminates any possibilities of penalties and liquidated damages, while earning repeat orders from our clients. We have never been penalized for delayed execution of a project.

- ***Continuous growth in our bid capacity and pre-qualification capability***

Our business and growth are dependent on our ability to bid and secure large and varied projects. Bidding for infrastructure projects is dependent on various criteria; including bid capacity and pre-qualification capability. Bid capacity represents the aggregate value of the contracts that can be awarded to us, and is computed based on pre-defined criteria of various authorities. Pre-qualification capability includes various factors such as the technical capability, financial capability and past experience in similar projects. We have focused on improvising these parameters and continuously increased our bid capacity. Our total revenues on standalone basis as per restated financials have increased from ` 3672.55 lakhs in FY 2006-07 to ` 12,812.91 lakhs in FY 2010-11, indicating compounded annual growth of 36.67% over the last 5years. Our standalone net profits as per restated financials have increased from ` 253.59 lakhs to ` 1050.79 lakhs indicating a compounded annual growth of 42.67 % over the past five financial years. The below chart will provide an overview of our growth and the type of works executed by us over the past fouryears.



- ***Integrated business model***

We are able to undertake all the activities related to a construction projects in-house, from tendering for the project to the execution of the same. This helps to ensure timely completion of project; reduces our reliance on sub-contractors and decreases our cost. We prepare all tendering documents and have dedicated planning and project management team. We have an experienced team and fleet of construction equipments to construct and maintain the project. Our integrated structure also enables us to bid for a project with confidence in our ability to complete and operate the same on a profitable basis.

Our Business Strategy

We intend to continue to provide high quality services to our clients and grow our business by leveraging our strengths and implementing the following strategies.

1. Continue to enhance our project execution capabilities

We intend to continue our focus in enhancing project execution capabilities so as to derive twin benefits of client satisfaction and improvements in operating margins. We will constantly endeavor to leverage our operating skills through our latest equipment and project management tools to increase productivity and maximize asset utilization in our capital intensive projects. We believe that we have developed a reputation for undertaking challenging construction projects and completing such projects in a timely manner. We intend to continue our focus on performance and project execution ability in order to maximize client satisfaction and margins. We continue to optimize operating and overhead costs to maximize our operating margins. To facilitate efficient and cost-effective decision-making, we intend to continue to strengthen our internal systems. Our ability to effectively manage projects will be crucial to our continued success as a recognized infrastructure company. We believe that we are able to distinguish ourselves from our competitors because of our management strength and in-house development, construction, operation and maintenance capabilities. We intend to continuously strengthen our execution capabilities by adding more engineers, attracting professionals, and facilitating continuous learning with in-house training opportunities.

2. Strengthening our position in the civil construction space

We believe our ability to undertake a wide range of civil construction projects, including, educational institutes, hospitals, corporate offices and residential and commercial projects provides us with a unique opportunity. In order to increase our market share and achieve a balanced revenue stream that is spread across various segments, we intend to pursue technically complex projects in the civil construction sector, including PPP projects.

3. Target specific high potential projects in infrastructure and real estate segments

We intend to concentrate on projects where we believe there is high potential growth and where we enjoy competitive advantage. We believe that our expertise and experience in development, operation, and maintenance of road infrastructure projects, civil construction for Government bodies and real estate construction will provide us with an advantage in pursuing growth opportunities in this fast growing sector.

We intend to associate with larger, technically more complex projects by leveraging, among other things, our prior experience in infrastructure projects and our equipment base. The high entry barriers for bidding for large order size projects and the resulting decreased competition to bid for and undertake such projects makes this an attractive sector in which to participate. While working on higher value projects may have associated risks, such projects also enable us to reduce operating costs and expenses and benefit from potentially higher margins.

4. Bid for, win and operate projects on Public-Private Partnership (PPP) Model

The Government has planned for a number of projects on a BOT/BOOT/BOLT or annuity basis. We believe that such projects will become increasingly more prevalent in the coming years because of the Government's reliance on the public-private partnership (PPP) model. BOT/BOOT/BOLT or annuity projects generally provide better operating margins because of the added overall control of project costs that can be exerted by the contractor. Additionally PPP projects offer the possibility of Government assistance to the contractor by virtue of better than anticipated use of the asset. We intend to take up BOT/BOOT/BOLT/ or annuity projects by leveraging our technical and financial credentials, which we believe will be improved by the strengthened balance sheet that we expect to have following the Issue. Such a balance sheet should allow us to take on more projects, including BOT/BOOT/BOLT and annuity projects on our own. It will also increase our ability to form strategic alliances with corporate developers and financial institutions, which we intend to do more of, on a project-by-project basis enhancing our prospect to bid for and execute such projects.

5. Leverage our expertise and focus on new territories

We intend to continue to focus on performance and project execution in order to maximize client satisfaction and margins. We will constantly endeavor to leverage our project management capabilities to increase productivity and maximize asset utilization in capital intensive projects. We will continue to optimize operations by minimizing operational / overhead costs, increase productivity thereby achieve to maximize our operating margins.

Till date, our Company has executed projects in the State of Maharashtra. In future, our Company intends to spread its area of operations to other States as well, which is one of the effective ways to mitigate the risks associated with infrastructure projects.

6. Joint Venture with other infrastructure companies for increasing the bid capacity for larger projects and with regional players to reap the benefits of our experience

We look forward to develop strategic alliance and form project specific alliances to increase our bid capacity. We would also continue to form project specific joint ventures with regional players whose resources, skills and strategies are complementary to our business and would help us reap the benefits of our experience.

Clientele

Over the years, we have developed to undertake and successfully execute a range of construction projects in the state of Maharashtra. Our client list includes:

- Public Works Department, Maharashtra State
- National Building Construction Corporation (NBCC)
- Maharashtra State Police Housing & Welfare Corporation (MSPHWC)
- Maharashtra State Road Transport Corporation (MSRTC)
- Maharashtra State Electricity Distribution Company Ltd. (MSEDCL)
- Maharashtra State Power Generation Company Limited (MSPGCL)
- Indian Oil Corporation (IOC)
- Nasik Municipal Corporation
- Maharashtra Health System Development Project
- Maratha Vidya Prasarak Samaj, Nasik
- Tribal Development Department, Nasik

Our Projects

Below are the details of the projects completed by us.

Work Completed as on June 30, 2011:-

Details of the Project	Name of Client	Value of Work done (` In Lakhs)	Year of Completion (Financial Year)	Type of Construction
Construction of girls hostel building for Department of Social Justice at Dhamangaon, Amravati	PWD, Amravati	303	2011-12	Civil
Construction of police quarters (including all infrastructural amenities) for S. P. Yeotmal at Darati police station at Darati, Yeotmal	MSPHWC, Mumbai	751	2011-12	Civil
Construction of hostel building for 'Shri Guru Gobind Singhji Institute of Engineering & Technology' at Vishnupuri, Nanded	Shri Guru Gobind Singhji Institute of Engineering and Technology, Nanded	523.4	2011-12	Civil
Construction of residential complex "Acropolis", at Nasik	Private Development	1,650.00	2011-12	Real Estate
Construction of boys hostel building for 'Department of Social Justice' at Chandur, Amravati **	PWD, Amravati	278.6	2010-11	Civil
Construction of girls hostel building for 'Department of Social Justice' at Chandur, Amravati **	PWD, Amravati	280.8	2010-11	Civil
Construction of factory buildings , auxiliary buildings, sheds, roads, drainage, compound wall, gates, etc. , at Peth, Sangli **	Islampur Integrated Textile Park Private Limited, Sangli	4,094.9	2010-11	Infrastructure

Details of the Project	Name of Client	Value of Work done (` In Lakhs)	Year of Completion (Financial Year)	Type of Construction
Construction of 'Dr. Babasaheb Ambedkar Bhavan Complex' for Department of Social Justice, at Jalgaon	PWD, Jalgaon	349.8	2009-10	Civil
Improvement of Ardhapur - Tamsa - Sonari Phata - Sawana -Jirona to State border road	PWD, Nanded	394.2	2009-10	Infrastructure
Construction of boys hostel building, at Amravati	PWD, Amravati	497.0	2009-10	Civil
Expansion of IC Shop / civil construction work	Indian Oil Corporation, Nasik	257.2	2009-10	Infrastructure
Construction of boys hostel building for Government Polytechnic, at Jalgaon	PWD, Jalgaon	369.8	2009-10	Civil
Construction of girls hostel building for Government Polytechnic, at Jalgaon	PWD, Jalgaon	380.2	2009-10	Civil
Construction of hostel, police training school building, (including other amenities) for PTS Tasgaon, Sangli	Maharashtra State Police Housing and Welfare Corporation, Mumbai	2,895.1	2009-10	Civil
Construction of 'Eklavya Building' for Tribal Development Department, Nasik **	Tribal Development Department, Nasik	229.8	2008-09	Civil
Construction of 'Group Head Quarters (including all infrastructural amenities) for S.R.P.F., at Hingoli	Maharashtra State Police Housing and Welfare Corporation, Mumbai	1,678.0	2008-09	Civil
Construction of 'New head quarters administrative building for S.P.Nanded', at Nanded	Maharashtra State Police Housing and Welfare Corporation, Mumbai	558.2	2008-09	Civil
Construction of dwelling units with RCC framed structure work, at Indian Army Station, Deolali	National Building Construction Corporation Limited, New Delhi	2,115.9	2007-08	Civil
Construction of currency chest at Satpur Branch of Bank of Maharashtra, Nasik *	Bank of Maharashtra, Nasik	44.3	2007-08	Civil

Details of the Project	Name of Client	Value of Work done (` In Lakhs)	Year of Completion (Financial Year)	Type of Construction
Construction of academic and administrative building for Government Engineering College, at Jalgaon	PWD, Jalgaon	533.0	2007-08	Infrastructure
Construction of 'District Court Building', Nasik	PWD, Nasik	513.6	2006-07	Infrastructure
Construction of 'Workshop building' for Government Engineering college, at Jalgaon	PWD, Jalgaon	118.7	2006-07	Infrastructure
Construction of 'Academic Block' for NDMVP college of Engineering, at Nasik	Maratha Vidya Prasarak Samaj, Nasik	426.3	2006-07	Infrastructure
Construction of 'Regional Sports Complex' for Divisional Commissioner, Aurangabad *	PWD, Aurangabad	320.0	2006-07	Infrastructure
Construction of 'Central Administrative building', at Nandurbar	PWD, Nandurbar	381.4	2004-05	Civil
Development of 'Commercial Complex' on B.O.T basis at Arni, Yeotmal *	MSRTC, Amravati	120.0	2004-05	Civil
Construction of 500 Quarters and 'balwadi' for S.R.P.F. at Hingoli	MSPHWC, Mumbai	1,672.5	2004-05	Civil
Widening of 6 narrow bridges and construction of minor bridge (in km. 209/300) on 'Nagpur Bori Tuljapur Road (M.S.H. 3) section from Arni to Mahagaon' and Construction of Arni bypass road on BOT basis	PWD, Nasik	678.4	2004-05	Infrastructure
Construction of staff quarters at Parli Thermal Power Station *	Maharashtra State Electricity Board, Mumbai	54.6	2004-05	Civil
Construction of 437 quarters for S.R.P.F., at Dhule	MSPHWC, Mumbai	1,180.4	2003-04	Civil
Renovation and extension to existing 30 bedded rural hospital to 50 bedded sub-district hospital, at Manmad	Maharashtra Health System Development Project, Nasik	162.1	2003-04	Infrastructure
Infrastructure development at S.R.P.F. quarters, at Dhule *	MSPHWC, Mumbai	200.0	2003-04	Civil
Construction of 'Central school building' at North Maharashtra University, Jalgaon	North Maharashtra University, Jalgaon	116.8	2002-03	Infrastructure

Details of the Project	Name of Client	Value of Work done (` In Lakhs)	Year of Completion (Financial Year)	Type of Construction
Renovation and extension to existing 40 bedded hospital to 100 bedded sub-district hospital, at Chopada	Maharashtra Health System Development Project, Nasik	412.6	2002-03	Infrastructure
Construction of bathing ghat at Bank of Godavari river, Nasik	Nasik Municipal Corporation	114.5	2001-02	Infrastructure
Construction of POTON Project for B.A.R.C. at Lasalgaon *	B.A.R.C., Mumbai	79.0	2001-02	Infrastructure
Construction of retaining wall near Sant Gadage Maharaj Dharmshala Trust premises, Nasik	Nasik Municipal Corporation	242.0	2000-01	Infrastructure
Construction of hospital building at Kathada market, Nasik	PWD, Nasik	266.6	2000-01	Infrastructure
Construction of west side bridge across Nasardi river	Nasik Municipal Corporation	74.9	2000-01	Infrastructure
Construction of 48 girls hostel building, at Dhule	PWD, Dhule	62.0	2000-01	Civil
Construction of bridge across Godavari river near Talkuteshwar temple, Nasik	Nasik Municipal Corporation	151.2	1999-00	Infrastructure
Providing and laying 'Old Gangapur Naka Trunk Sewer' for Nasik Municipal corporation, Nasik	Nasik Municipal Corporation	63.7	1999-00	Infrastructure
Construction of 24 officer's quarters and 408 constabulary quarters for policemen for S.P. Dhule	Maharashtra State Police Housing and Welfare Corporation, Mumbai	1,282.0	1998-99	Civil
Construction of girl's residential at Government Polytechnic, at Latur	PWD, Latur	593.9	1997-98	Infrastructure
Construction of 'Dr. Zakir Hussain Hospital', at Nasik *	Nasik Municipal Corporation	267.0	1997-98	Infrastructure
Construction of residential building*#	Gautam Park Co-op. Housing Society Limited, Nasik	136.4	1995-96	Real Estate
Construction of residential building*#	Vijaygopal Co-op. Housing Society Limited, Nasik	258.0	1995-96	Real Estate
Construction of administrative and educational building for Government Polytechnic, at Jalna#	PWD, Jalna	136.8	1995-96	Infrastructure

Details of the Project	Name of Client	Value of Work done (` In Lakhs)	Year of Completion (Financial Year)	Type of Construction
Construction of administrative and educational building, providing plinth protection for Government Polytechnic, at Jalna#	PWD, Jalna	50.7	1995-96	Infrastructure
Construction of administrative and educational building, providing entrance gate for Government Polytechnic, at Jalna#	PWD, Jalna	0.5	1995-96	Infrastructure
Construction of 68 quarters under middle income group scheme at R-26 N-9 CIDCO, New Aurangabad#	MHADA, Aurangabad	75.6	1995-96	Civil
Construction of 'Main Building' for Ayurvedic College, at Osmanabad#	PWD, Osmanabad	196.0	1995-96	Infrastructure
Construction of commercial-cum-residential building#	Huma Co-op. Housing Society Limited, Nasik	65.0	1994-95	Real Estate
Construction of 'Navodaya Vidyalaya' at Takli Dhoeshwar, Ahmednagar#	Navodaya Vidyalaya Samiti, Delhi	131.8	1994-95	Infrastructure
Construction of guest room for Government Polytechnic, at Jalna.	PWD, Jalna	3.2	1994-95	Civil
Construction of swimming pool at Hotel Quality Inn Regency, Nasik#	First City Resorts Private Limited, Nasik	28.0	1994-95	Real Estate
Construction of residential building*#	Samurai Co-op Housing Society Limited, Nasik	91.0	1993-94	Real Estate
Construction of 34 police staff quarters (Type III) at PTC, Nasik#	PWD, Nasik	11.9	1992-93	Civil
Construction of 34 police staff quarters (Type II) at PTC, Nasik#	PWD, Nasik	16.7	1992-93	Civil
Construction of 1st & 2nd floor of existing 'Bandhkam Bhavan' at Nasik#	PWD, Nasik	29.1	1992-93	Civil
Construction of Government staff quarters (Type III), at Nasik#	PWD, Nasik	39.3	1992-93	Civil
Construction of 600 policemen quarters at N-10 Sector, CIDCO, Aurangabad#	PWD, Aurangabad	201.4	1992-93	Civil
Construction of residential building#	Madina Co-op. Housing Society Limited, Nasik	30.5	1992-93	Real Estate

Details of the Project	Name of Client	Value of Work done (` In Lakhs)	Year of Completion (Financial Year)	Type of Construction
Construction of residential building#	Kaushal Park Co-op. Housing Society Limited, Nasik	91.0	1992-93	Real Estate
Construction of 'Zilla Parishad Administrative Building' at Osmanabad#	Zilla Parishad, Osmanabad	107.3	1992-93	Infrastructure
Construction of 'Shetkari Niwas' including cattle sheds, office building, etc.#	Agricultural Production Marketing Committee, Solapur	195.7	1992-93	Infrastructure
Improvement to strengthen Surat-Dhule-Aurangabad-Beed-Osmanabad road#	PWD, Aurangabad	50.7	1990-91	Infrastructure
Construction of 'Academic building' for I.T.I., at Aurangabad#	PWD, Aurangabad	31.1	1990-91	Infrastructure
Construction 'Central Administrative building', at Latur#	PWD, Latur	51.9	1989-90	Infrastructure
Construction of swimming pool at a residential premises, Nasik#	First City Resorts Private Limited	10.0	1989-90	Real Estate
Construction of bridge across Darna river on Ghoti Kolhar road near Deola village#	PWD, Nasik	70.0	1987-88	Infrastructure

** Works' completion certificates not available with the Company*
*** Works' completion certificates still to receive from client*
 # executed by promoter in their individual or proprietorship capacity

Work in Hand as on June 30, 2011

The below signifies our Order book as on June 30, 2011.

Details of the Project	Client Name	Location	Estimated Value of Work (`In Lakhs)	Order Book as on 30.6.11 (` In Lakhs)	Expected period of completion	Type of construction
Construction of 'Academic building and workshop' for Government Polytechnic College, Hingoli	PWD, Hingoli	Hingoli, Maharashtra	568.9	53.36	Q2 - FY 2011-12	Civil
Strengthening and blacktopping to Ardhapur Tamsa Road (section Chanapur To	PWD, Nanded	Nanded, Maharashtra	182.57	109.95	Q2 - FY 2011-12	Infrastructure

Details of the Project	Client Name	Location	Estimated Value of Work (`In Lakhs)	Order Book as on 30.6.11 (` In Lakhs)	Expected period of completion	Type of construction
Wanwadi), Nanded						
Construction of 'Cancer Hospital and Research Centre', at Aurangabad	PWD, Aurangabad	Aurangabad, Maharashtra	2392.00	81.27	Q2 - FY 2011-12	Infrastructure
Construction of hostel (boys and girls) buildings for Government Polytechnic College, at Hingoli	PWD, Hingoli	Hingoli, Maharashtra	255.0	43.6	Q2 - FY 2011-12	Civil
Construction of new boys hostel at Government College of Engineering, Jalgaon	PWD, Jalgaon	Jalgaon, Maharashtra	368.1	113.06	Q2 - FY 2011-12	Civil
Construction of 'Out Patient Department' for Government Medical College at Vishnupuri, Nanded	PWD, Nanded	Nanded, Maharashtra	1633.62	288.87	Q2 - FY 2011-12	Infrastructure
Construction of 'Operation Theater' for Government Medical College at Vishnupuri, Nanded	PWD, Nanded	Nanded, Maharashtra	950.25	256.42	Q2 - FY 2011-12	Infrastructure
Construction of 'I.T.I. building' at Barshi Takli, Akola	PWD, Akola	Akola, Maharashtra	366.78	209.6	Q2 - FY 2011-12	Infrastructure
Improvement to Harisal - Akot - Akola - Washim - Hingoli -	PWD, Hingoli	Hingoli, Maharashtra	545.1	285.22	Q2 - FY 2011-12	Infrastructure

Details of the Project	Client Name	Location	Estimated Value of Work (`In Lakhs)	Order Book as on 30.6.11 (` In Lakhs)	Expected period of completion	Type of construction
Kalamnuri - Waranga road (including Hingoli bypass) - (Part IV)						
Improvement to Harisal - Akot - Akola - Washim - Hingoli - Kalamnuri - Waranga road (including Hingoli bypass) - (Part III)	PWD, Hingoli	Hingoli, Maharashtra	616.3	456.3	Q2 - FY 2011-12	Infrastructure
Construction of commercial complex and other developments at Site No.71, at Osmanabad	Nagar Parishad, Osmanabad	Osmanabad, Maharashtra	313.7	130.1	Q2 - FY 2011-12	Civil
Construction of 71 quarters of type II, III ,IV, (including gymnasium, multipurpose hall, with all infrastructural amenities at Akkalkot, Solapur	MSPHWC, Mumbai	Akkalkot, Maharashtra	1,199.0	241.14	Q2 - FY 2011-12	Civil
Construction of administrative buildings for C.P. Navi Mumbai	MSPHWC, Mumbai	Navi Mumbai, Maharashtra	2,461.0	435.84	Q3 - FY 2011-12	Civil
Construction of new administrative building for 'Panchayat Samiti', Malshiras, Solapur	PWD, Akluj	Akluj, Maharashtra	214.4	21.6	Q2 - FY 2011-12	Civil

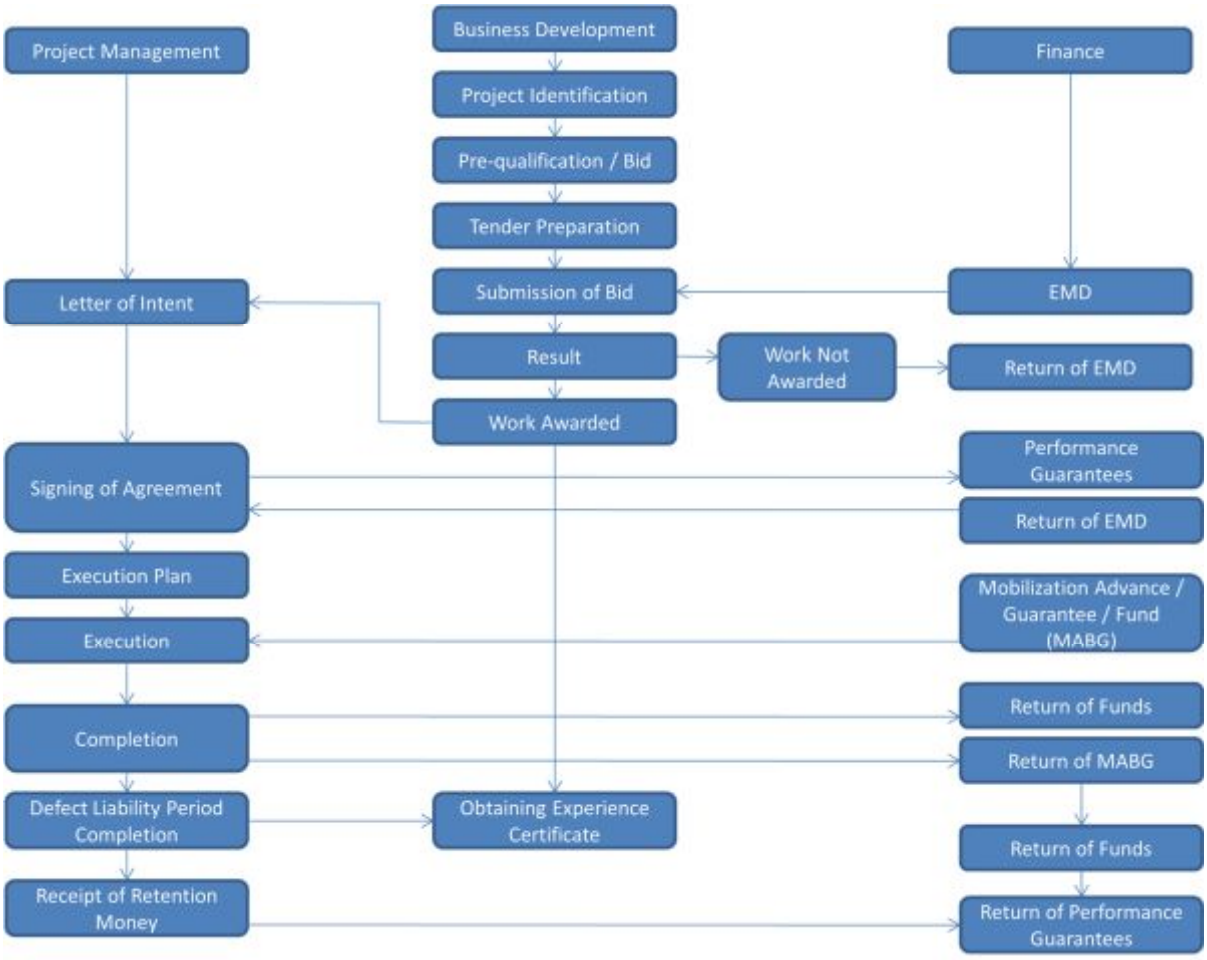
Details of the Project	Client Name	Location	Estimated Value of Work (`In Lakhs)	Order Book as on 30.6.11 (` In Lakhs)	Expected period of completion	Type of construction
Bhusawal Thermal Power station expansion, at Deepnagar, Bhusawal	MSPGC, Mumbai	Bhusawal, Maharashtra	2,064.2	1,162.73	Q4 - FY 2011-12	Civil
Special repairs of Solapur-Latur-Nanded-Nagpur road	PWD, Nanded	Nanded, Maharashtra	94.9	60.73	Q2 - FY 2011-12	Infrastructure
Construction of residential facilities (including landscaping, infrastructure facilities and other amenities for S.R.P.F. at Balegaon, Thane	MSPHWC, Mumbai	Balegaon, Maharashtra	3,003.5	1,470.55	Q2 - FY 2011-12	Civil
Construction of new police administrative building (including all infrastructural amenities) for S.P. Thane, Thane	MSPHWC, Mumbai	Thane, Maharashtra	896.4	570.35	Q3 - FY 2011-12	Civil
Construction of office building (including amenities) for S.P. Parbhani, Parbhani	MSPHWC, Mumbai	Parbhani, Maharashtra	515.3	20.77	Q2 - FY 2011-12	Civil
Paras Thermal Power station expansion, at Paras, Akola	MSPGC, Mumbai	Paras, Maharashtra	1,356.5	1,139.19	Q2 - FY 2011-12	Civil
Construction of residential complex "Bhakti Sankul", at	Private Development	Nasik, Maharashtra	605.0	250.0	Q3 - FY 2011-12	Real Estate

Details of the Project	Client Name	Location	Estimated Value of Work (`In Lakhs)	Order Book as on 30.6.11 (` In Lakhs)	Expected period of completion	Type of construction
Nasik						
Construction of residential complex "Arunawati Sanklul", at Arni, Yeotmal	Private Development	Yeotmal, Maharashtra	283.8	150.0	Q2 - FY 2011-12	Real Estate
Construction of residential building for 'ITI' Khandali, Solapur	PWD, Akluj	Solapur Maharashtra	161.22	100.89	Q3 - FY 2011-12	Civil
Construction of warehouse building at Aurangabad	MSWC, Pune	Aurangabad , Maharashtra	740.24	640.24	Q1 - FY 2012-13	Infrastructure
Construction Of Tourist Complex Akluj , Solapur	PWD Akluj	Solapur Maharashtra	522.3	522.3	Q4 - FY 2011-12	Civil
Construction of warehouse building at Yeotmal	MSWC, Pune	Yeotmal Maharashtra	320.72	320.72	Q4 - FY 2011-12	Infrastructure
Construction of Samajik Nyaya Bhawan , Aurangabad	PWD Aurangabad	Aurangabad , Maharashtra	832.7	832.7	Q2 - FY 2012-13	Civil
Construction of nursing college , Nanded.	PWD Nanded	Nanded, Maharashtra	800	800	Q4 - FY 2011-12	Infrastructure
Redevelopement of existing vegetable market on BOT basis , Yerwada , Pune	PMC	Pune, Maharashtra	1948.89	1948.89	Q1 - FY 2013-14	Infrastructure
Redevelopement of existing vegetable market on BOT basis , Shukrawar Peth , Pune	PMC	Pune, Maharashtra	2364.28	2364.28	Q1 - FY 2013-14	Infrastructure

Our Order book as on June 30, 2011 is ` 15080.67 lakhs. We keep on bidding for tenders / contracts, and hence our order book undergoes remarkable changes on day to day basis.

Project execution methodology – Tendering Projects

A summary of the activities involved in the project development are set-out in the following chart:



Project Lifecycle

A typical project cycle extends over a period of two to three years and can be divided into two distinct phases. The first phase begins with the identification of the opportunity and ends with the execution of the construction contract.

The second phase begins with the execution of the construction contract and ends with the end of the defect liability period following the completion of the project.

Stage I

a. Invitation by client to bid as published in a newspaper or in any other media or sent directly to the contractor by the client
b. Response in the form of a request for qualification or pre-qualification (RFQ)
c. Invitation from the client to submit a request for proposal (RFP)
d. Submission of a RFP
e. Issue of tender documents by the client

f. Site visit with an opportunity to seek responses to any pre-bid questions
g. Completion of all related post-qualification technical documents and the submission of a financial bid
h. Submission of the tender along with an earnest money deposit (EMD)
i. Award of the contract, issue of a letter of intent (LOI) and refund of the EMD
j. Payment of a mobilization advance by the client
k. Contractor commences preparations for execution of the project.
l. Execution of the construction contract together with the submission of a performance guarantee and financial guarantee in respect of the mobilization advance

Stage II

a. Execution of the project

(i) Preparation of a detailed project execution plan
(ii) Preparation of detailed resource and expenditure plans
(iii) Mobilization of resources
(iv) Procurement of equipment and raw materials required for the project
(v) Execution in accordance with the terms of the construction contract and the execution plan
(vi) Raising of periodic invoices (Running account bills) in accordance with the terms of the construction contract

b. Completion of the project

(i) Implementation by the contractor of all project completion activities
(ii) Receipt by the contractor of the final payment due to it subject to any retention amounts in respect of the defect liability period or the provision of a bank guarantee in respect of such retention amounts
(iii) Provision of a hand over certificate by the contractor, if requested
(iv) Provision of a completion certificate by the client, if requested

c. Defect Liability Period

Our construction contracts often stipulate a defect liability period of six (6) months to twenty four (24) months from the date of hand over certificate. The contractor is responsible for rectifying any defects that may arise during this defect liability period as a consequence of the construction services provided by the contractor. At the end of this defect liability period, any sum of money (as adjusted for any defects) retained by the client at completion is transferred to the contractor without interest.

Business Development

Keeping in mind the objects of the company and the nature of work being carried out by us; the prospective contracts are identified by our Company by looking at notices inviting tenders published in news papers, journals, websites etc. or in case of limited tenders by way of communication from the clients. Our Company keeps track of the prospective projects and the prospective clients by going through the notice inviting tenders, meeting the clients etc. Sometimes services of specialised consultants are taken to explore and identify the projects.

Tendering

Our Company has a centralized tender department headed by our Managing Director, which is responsible for applying for all pre-qualifications and tenders. The tender department evaluates the credentials of our Company vis-à-vis the stipulated eligibility criteria. We endeavor to qualify on our own for projects in which we propose to bid. In the event that we do not qualify for a project in which we are interested due to eligibility requirements relating to the size of the project or other reasons, we may seek to form project-specific partnerships with other relevant experienced and qualified contractors. Using the combined credentials of the cooperating companies strengthens our chances of pre-qualifying and winning the bid for the project.

A notice inviting bids may either involve pre-qualification, or short listing of contractors, or a post qualification process. In a pre-qualification or short listing process, the client stipulates technical and financial eligibility criteria to be met by the potential applicants. Pre-qualification applications generally require us to submit details about our organizational set-up, financial parameters (such as turnover, net worth and profit and loss history), employee information, plant and equipment owned, portfolio of executed and ongoing projects and details in respect of litigations and arbitrations in which we are involved. In selecting contractors for major projects, clients generally limit the issue of tender to contractors they have pre-qualified based on several criteria, including experience, technical ability and performance, reputation for quality, safety record, financial strength, bonding capacity and size of previous contracts in similar projects, although the price competitiveness of the bid is usually a selection criterion.

If we pre-qualify for a project, the next step is to submit a financial bid. Prior to submitting a financial bid, our Company carries out a detailed study of the proposed project, including performing a detailed study of the technical and commercial conditions and requirements of the tender followed by a site visit.

A site visit enables us to determine the site conditions by studying the terrain and access to the site. Thereafter, a local market survey is conducted to assess the availability, rates and prices of key construction materials and the availability of labour and specialist sub-contractors in that particular region. Sources of key natural construction materials, such as quarries for aggregates, are also visited to assess the availability, leads and quality of such material. The site visit also allows us to determine the incidence and rates of local taxes and levies, such as sales tax or value added tax, octroi and cess.

Our representatives attend the pre-bid meetings convened by the clients, during which we raise any queries or requests for amendments to certain conditions of the proposed contract. Any ambiguities or inconsistencies in the document issued by the client are brought to the attention of the client for further clarification.

The tendering department invites quotations from vendors, sub-contractors and specialist agencies for various items or activities in respect of the tender. This data supplements the data gathered by the market survey. The gathered information is then analyzed to arrive at the cost of items included in the Bill of Quantities (BOQ). The estimated cost of items is then marked up to arrive at the bidding price to the client. The basis of determination of the mark-up is based in part on the evaluation of the conditions of the contract.

Our project co-ordination team then prepares a bid and submits it to our Managing Director for approval before submitting the bid.

Alternatively, the client may choose to invite bids through a post-qualification process wherein the contractor is required to submit the financial bid along with the information mentioned above in two separate envelopes. In such a situation, the client typically evaluates the technical bid or pre-qualification application initially and then opens the financial bids only of those contractors who meet the stipulated criteria.

Bidding Process

Inviting a Bid

The client conceives a specific project and follows it up with the appointment of a consultant who prepares a detailed project report. This report addresses various aspects of project implementation commencing from obtaining clearances, right of ways, scope of work, technical parameters, etc., to related costs which define the approximate estimated cost of the project.

At the next level the client invites expression of interest / pre-qualifications from prospective bidders. The qualifying criteria mainly include the following:-

- Technical Capability: The bidder should have the experience of having implemented projects of similar nature, necessary experienced manpower, ownership / availability of necessary plant and machinery etc.

- Financial Strength: This includes the minimum annual turnover, net worth requirement, working capital requirements, etc.

Submission of bids

The business development section procures the bidding document. The bidding documents normally contain EarnestMoney Deposit ("EMD"), the technical bid and the financial bid. The technical bid is prepared and relevant documents of work experience, personnel capabilities, equipment capabilities, work methods, work programmes and other relevant details are prepared.

Survey is conducted regarding the site condition, availability, source and price of raw materials, availability of locallabour etc. Cost of executing the project is estimated. The tendering strategy and the pricing are decided.

The bids normally require submission of EMD in the form of bank guarantee / demand draft / fixed deposit receipts.

The EMD is obtained.

The EMD, the technical bid and the financial bid are submitted in a sealed envelope.

Awarding of contracts

Normally the envelope containing EMD is opened first and the bids containing valid EMD are only considered for further processing. Then the technical bid is opened and processed by the client. The bidders meeting the pre- qualification criteria are notified of the pre-qualification and the financial bid of only the pre-qualified bidder is opened.

Usually the lowest bidder is awarded the contract. The client may conduct negotiations. The successful bidder is issued a Letter of Intent. On receipt of the Letter of Intent a performance guarantee is required to be submitted. The performance guarantee may be in the form of bank guarantee or fixed deposit. Upon submission of the performance guarantee, work order is issued and formal contract is signed.

Procurement

Procurement plays a critical part in the success of any project. Our planning and project management team procures the purchase or lease of equipment and purchase of raw materials in accordance with the schedules of equipment and raw materials prepared by the relevant project manager. Our planning and project management team assesses the technical compatibility and requirements of various materials, services and equipment purchase. Over the years we have developed relationships with a number of vendors for materials and services. The materials ordered are provided to the various sites as per their scheduled requirements. Some of our construction contracts protect us against price escalation of certain raw materials. The price, quantity available and timing of availability of these materials could change significantly due to various factors and market conditions.

Construction

A letter of intent or letter of acceptance is typically issued to signify that we have been awarded a contract. This letter usually gives us a mandate to commence pre-construction activities promptly, such as mobilizing manpower and equipment resources and setting up site offices, stores and other ancillary facilities.

The methodology of construction depends upon the nature of the project (e.g., the construction methodology is different for infrastructure projects as opposed to residential projects). Our planning and project management team prepares a detailed project execution plan. This plan identifies interim

milestones, if any, stipulated in the contract with corresponding time schedules for achieving these milestones. The sequence of construction activities largely follows the construction schedule that was prepared initially, subject to changes in scope requested by the client, if permitted by the terms of the contract.

Construction generally commences with the execution of the construction contract and the first activity is usually excavation and earthmoving. Other major components of a typical construction project include concreting and reinforcement. Heavy earthmoving equipment, such as excavators, dumpers, loaders, dozers, graders and rock drilling tools, are used for excavation, whereas batching plants, transit mixers, tower cranes and concrete pumps, among other equipment, are used for concreting.

Our project co-ordination team reviews progress reports prepared by the relevant project manager, coordinates the execution of the project in accordance with its terms, maintains operational control and ensures compliance with occupational health and safety standards.

Each project manager holds regular review meetings with the client at sites and with our vendors and subcontractors to review progress and assess future needs.

Execution and Completion of Project

Mobilisation of necessary plant and machinery, personnel, camp development etc. is undertaken in line with the works program. In some of the contracts the client releases mobilization advance against bank guarantees.

In most of the contracts interim payment certificates are issued and payments released accordingly on progress of the work as per provisions of the contract. The work is supervised by independent consultants or officials of the clients. On completion of the work completion certificate is issued.

In most of the contracts some money is retained from the interim payments normally subject to an overall ceiling. Such retention money is usually released against bank guarantee based on the terms specified in the agreement.

The contracts normally contain a defect liability period after the completion. The defects occurring during the defect liability period are required to be rectified. On completion of the defect liability period the performance security is released.

Return/Invocation of guarantees

At different stages of the contract normally bank guarantees are submitted for EMD, performance, mobilization or retention money. The bank guarantees are released at different stages on fulfillment of obligations. On non-fulfillment of obligations the bank guarantees may be invoked by the client as per provisions of the contract or the terms of the issue of the bank guarantee.

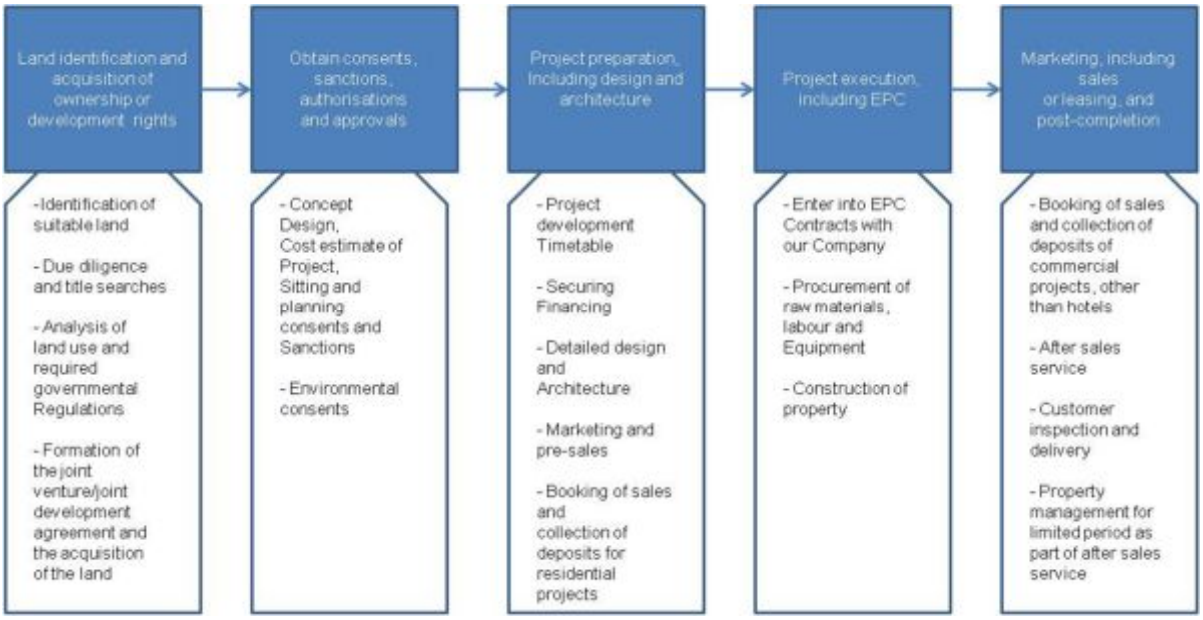
Handing over of site

The site is handed over on completion of the work. Many of the contracts provide for handing over on completion in stages.

Project implementation

Our project co-ordination team monitors the complete development life cycle of the project to ensure optimal utilization of resources and the progress of the project as per project schedules. In undertaking such a role our planning and project management team interfaces and coordinates with our project managers located at our various sites. Each of our project managers supervises the delivery aspects of his project, prepares schedules of equipment and raw materials for his project, prepares progress reports and ensures the execution of his project in accordance with its terms.

Project execution methodology – Real Estate projects



Land identification and acquisition of ownership interests or development rights

We analyse and monitor existing and future customer profiles and requirements, industry economics, property market trends and Government policies. This assists us in identifying areas which have future development potential. We also use the feedback we receive from customers, along with our relationships with property consultants, constructors, sub-contractors and suppliers, to assess future market demand and industry outlook. After we have identified a potential development site, we evaluate and estimate the costs which will be incurred for the development project. Prior to undertaking each project, we conduct due diligence and assessment exercises in relation to immovable properties and financial viability of the project. Once we have identified a plot which may be suitable for development, our local lawyers, conduct due diligence investigations in respect of land we desire to develop, including a review of land records, planning records and ownership records, and publish a notice in newspapers soliciting objections from persons claiming ownership of the land. Assuming that our investigations show no significant problems with the identified land, we enter into negotiations to seek to reach a preliminary agreement with the landowners, either to acquire the underlying land ourselves or to enter into a joint development agreement with them. Formal conveyance of land by the seller (at which time stamp duty becomes payable), for acquisitions of land, is completed only shortly before construction is due to start and after all requisite governmental consents and approvals have been obtained.

Obtaining consents, authorisations and approvals

Once we have identified and reached an agreement to acquire title or development rights to the land, we seek requisite governmental and regulatory consents, sanctions, authorisations and approvals, including sitting, development plan and environmental approvals. We have considerable experience in working with governmental and regulatory authorities to obtain such approvals. This experience has given us a good understanding of the regulatory regime in which we operate, thereby enabling us to obtain requisite approvals on a timely basis and to obtain approval for the development of the maximum permitted square footage given the size of each plot.

Project preparation, including design and architecture

At this stage, we obtain financing for the project. We fund our projects through project-specific bank borrowings, which are repayable at the end of each project. We employ an experienced team of architects and, after a detailed review of the site parameters, project cost estimate and project development timetable, we formalise an architectural brief which is subsequently finalised either internally or with selected external architects and consultants, depending on the size and complexity of the project.

Few of our residential development units are pre-sold prior to completion of the development. In connection with our pre-sales of residential units, we require that customers pay advances on the purchase price, which advances our residential customers are required to pay in phases as we progress through various milestones or stages of construction of their residential unit.

Project Execution, including EPC Services

The other development entities enter into an EPC contract or work order with our Company for the providing EPC services for the project. We have also mechanised many of the processes involved in our businesses. Mechanisation helps us improve discipline, efficiency, safety and quality of construction work. The advantages offered by mechnaisation are cost control, improved quality and efficiency of construction work at our construction sites.

Marketing, including sales or leasing, and post-completion

Most of our units are sold or leased through word of mouth; we also market our units through marketing techniques such as newspapers, internet and billboard advertising, launch events, exhibitions and corporate presentations. We also engage on an exclusive basis the services of real estate brokers and selling agents in connection with the sale and lease of our developments. We seek to foster good relations with our customers. In each of our developments, we provide our customers with a preoccupancy inspection accompanied by our project managers.

Infrastructure facilities

Equipments

Details of Equipments

Some of the major equipments owned by us are:-

Name of Equipments	Total Nos.
Compressors	8
Laboratory Equipment	22
Material Lifts and Hoists	13
Concrete Mixers	31
Vibrators	16
Alternators and Generators	25
Pump sets	18
Weigh Batcher	14
Diesel Engines	4
Earth Compactors	6
Other engineering equipments	61
Hot Mix Plant	2
Excavators	10
Crushers	1
Water Tanks	1
Batching Machine	1

The Company also own capacitors bank as required to run the above equipments. Our subsidiary, Ram Buildwel Private Limited also owns a ready mix concrete plant at Navi Mumbai, Maharashtra mainly to cater to our captive requirements. The plant has an installed capacity of 14 cubic meter / hour.

Equipment to be purchased out of the proceeds of the Issue

For details please refer to the chapter titled *"Objects of the Issue"* beginning on page 70 of the Red Herring Prospectus.

Technology

We have not entered into any technical collaboration agreements with any party.

Utilities

Raw Materials

The major raw materials required for our projects are cement, steel, aggregate, bitumen, etc. The requirement of these raw materials is project specific and procurement of raw material like cement, steel, bitumen, etc is carried out directly from the respective project sites. As and when we are bidding for a project, our project managers make a site visit to assess the availability, rates and prices of key construction materials in that particular region. Thereafter, we assess the quantity of material, services and equipment required for the project and call for quotations from the list of local suppliers. The supplier is finalized through the process of negotiation, considering the geographical location of the project and the lead-time in supply of the material. In cases where raw material like bitumen, etc. is not available near the project site, the requirement is communicated to the corporate office, which arranges for the material from local suppliers.

The requirement of aggregate is mainly met from the crushing units owned by our promoters. Our Company's subsidiary, Ram Buildwel Private Limited owns a ready mix concrete plant at Navi Mumbai, Maharashtra mainly to cater to our captive requirements. The plant has an installed capacity of 14 cubic meter / hour. The aggregates / metal powder from our crushing units are mixed with sand, cement, and water depending on the desired mix design and quantity to produce Ready Mix Concrete. The process of mixing is done with the help of a concrete mixer.

The requirement of fly ash bricks is met from manufacturing unit owned by our associates, Q-fab Cements Private Limited.

Procurement of capital equipment and spare parts for machinery and equipment is centralized and each project site communicates its requirement to the corporate office which procures the same from suppliers of good repute.

Water

The quantity of water required is project specific and is procured locally by way of boring wells at the site or through the existing water supply network in that area.

Power

The requirement of power for our operations, like power for lighting and operating the machinery/equipment is met through respective state electricity boards' distribution source where the projects are located and from generator sets.

Fuel

The requirement of diesel for operating the machinery / equipment and generating sets is met by supplies from the local markets.

Human Resource

As on July 31, 2011, we employ 56 full-time employees at our various project sites and our corporate and registered office. The following table sets forth information related to full time employees of our company:

No.	Category of Employees	No. of Employees

No.	Category of Employees	No. of Employees
1	Managerial Post	9
2	Project Managers	8
3	Project Supervisors / Technicians	9
4	Administrative staff	6
5	Clerical Staff	15
6	Others	9
	Total	**56**

Apart from the above employees we also employ temporary labour on contract basis at our project sites for construction activities.

Our employees are not represented by any unions and they do not have collective bargaining agreements. We have not experienced any work stoppages or action by or with our employees and we consider our relationship with our employees to be good.

Marketing

The major part of the work executed by us is awarded by Government / semi government bodies. As such, the contractual obligations in normal course for awarding these contracts by the Government or their agency are through the process of tendering. In view of the nature of our market, the major sources of information of ensuing tenders for construction contracts are newspapers and Government gazettes, websites, magazines, etc. Our promoter, Mr. Prakash Laddha, through his vast experience and good rapport with government and semi-government bodies owing to timely execution of projects plays an instrumental role in creating and expanding a work platform for Prakash Constrowell Limited.

In order to ensure that we can effectively bid for these contracts we have a separate department, which is headed by our Managing Director, which keeps track of these tender notifications or advertisements and prepares the tender document. As per the requirements of the tender, we decide upon the director leading the project and the associated team members. Our Company has conscious plans to move up the value chain by forming strategic Joint Ventures and bidding and securing high value projects and widening business segments. Apart from the normal tendering process, we are always vigilant about maintaining a strong relationship not only with our present clientele but also to the opportunities foreseeable around the construction industry. Now substantial amount of construction contracts are being offered by the private sector also.

Collaborations

We have not entered into any technical or other collaboration till date.

Locations

Considering the nature of Company's business i.e. construction, the location of projects depends upon the contracted site, which usually varies from project to project. At present we are executing various works in the state of Maharashtra, India.

Quality Certification

Our Company has been accredited with "ISO 9001:2008" Certification for operating Quality and Management System, which is valid upto January 9, 2014.

Competition

The construction industry is highly fragmented with large number of players operating in an unorganized sector and a few of them in the organized sector. The construction industry is quite competitive. The award of contracts depends on successfully bidding the tenders. The tendering involves two-tier process. Firstly, the prospective bidders have to qualify technically. Only after qualifying the technical bid, the prospective bidders can participate in financial bid. Further, the key success factor in qualifying the financial bid is cost competitiveness and our Company has been able to sustain in the competition due to its competitive financial strength and low overheads.

Our competition depends on whether the project is in the civil construction sector or the infrastructure sector. It also depends on other factors, such as the type of project, contract value and potential margins, the complexity and location of the project, the reputation of the client and the risks relating to revenue generation.

Due to industry's fragmented nature, there is no authentic data available to our Company on total industry size and market share of our Company vis-a-vis the competitors. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key parameters in the client's decisions matrix in awarding the contracts, price is often the deciding factor in most tender awards.

Seasonality and weather conditions

Construction services in India typically have a lower level of operating activity during the monsoon period and the high temperature during the summer months. See also the discussion in the chapter on *"Management's Discussions and Analysis of Financial Condition and Results of Operations"* beginning on page 239 of the Red Herring Prospectus.

Health Safety and Environments

Our constructions and operations are subject to governmental, state and municipal laws and regulations relating to the protection of the environment, including requirements for water discharges, air emissions, management and disposal of solid or hazardous materials or wastes and the cleanup of contamination. We believe that ensuring the health and safety of our employees is critical to the successful conduct of our business and operations. We are therefore committed to complying with applicable health, safety and environmental regulations and other requirements in our operations.

Insurance

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We may also be subject to claims resulting from defects arising from engineering, procurement or construction services provided by us within the warranty periods extended by us, which can range from 12 to 60 months from the date of commissioning.

We obtain specialized insurance for construction risks and third party liabilities for most projects for the duration of the project and the defect liability period. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate.

Loss or damage to our materials and property, including contract works, whether permanent or temporary, and materials or equipment supplied by us or supplied to us, are generally covered by "contractors' all risks" insurance. Under the all risks insurance policy we are also provided cover for debris removal and surrounding properties.

We also maintain automobile policies and workmen's compensation policies wherever required as well as group insurance policies for our permanent employees.We have a fire insurance policy for our registered office.

Under certain of our contracts, we are required to obtain insurance for the project. In some instances, we have not obtained such insurances. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate.

Property

Our Company owns the following property:

Property Kind	Description of Property	Area	Seller	Date of Agreement
Land	GAT No. 424, Mouje- Jawala, Jawala, Village- Arni, District-Yawatmal, Part-5 East: Land belonging to Mr. Nana Kamdi. West: Government land and Arni-Yewatmal Road. North: Land belonging to Mrs. Rukhma Goma. South: Kinhi Road.	2.20 Hectare	Mr. Suresh Bhaurao Ubhad	February 17, 2004

The details of the leasehold properties are as under:-

Location of the property	Document	Lessor / Licensor	Key terms of the agreement	Consideration
6/7, Falcon Plaza, National Urdu High School Road, Near Sarda Circle, Nasik – 422 001, Maharashtra, India	Lease Agreement (renewed on January 1, 2011)	Mr. Prakash P. Laddha	• The tenure of this agreement is one year, renewable every year on mutually agreed terms. • Our Company is not permitted to sublet the premises. • Our Company has the option to terminate this agreement by giving 12 months notice to the Lessor.	Monthly rent of ` 20,000/-
"Kaushal Bungalow", Sadhu Waswani Road, bearing CTS No. 649/A/1/3, Nasik, Maharashtra, India	Lease Agreement (renewed on January 1, 2011)	Mrs. Aruna P. Laddha	• The tenure of this agreement is one year, renewable every year on mutually agreed terms. • Our Company is not permitted to sublet the premises. • Our Company has the option to terminate this agreement by giving 12 months notice to the Lessor.	Monthly rent of ` 50,000/-
3rd floor, "Pinnacle" Plot No. 152, Survey No. 1054, located at Trimbak Naka, Nasik, Maharashtra, India	Leave and License Agreement dated February 18, 2011	Atal Buildcon Private Limited	• The agreement is for the period of 5 years, with a lock-in for initial 3 years. • Our Company has paid an interest free security deposit of ` 10.50 crores to the Licensor. • Either party can terminate the agreement post 3 years of lock-in period by giving 6 months prior written notice for the same.	License fees – ` 10/- per sq. ft. for first 3 years, and 12% addition to previous year's license fees every year from year 4 onwards.

Our Intellectual Property

Our Company has filed an application dated March 16, 2011 bearing no. 2115841, 2115842 and 2115843 before the Trade Marks Registry for registration of its name and logo under class 36, 37 and 42. The application is pending registration.

Performance Guarantees

We are required to issue performance guarantees varying from 2-4% of the contract value at the time of commencement of the contract, pursuant to the award of the contract / sub contract agreement. The performance guarantees are given by us to our different clients / customers for execution of different contacts in normal course of business. These performance guarantees are typically valid up to twelve months post the completion of the contract. As on June 30, 2011, we have given performance bank guarantees amounting to ` 446.69 lakhs to our various clients in normal course of business for which fixed deposit receipts amounting to ` 135.59 lakhs are given to the banks towards margin money.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The regulations set below are not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice. There are no specific regulations in India governing the construction industry. Set forth below are certain significant legislations and regulations which are generally adhered to by this industry in India:

General

We are a construction company in India. We undertake infrastructure and construction contracts, comprising of roads, bridges, commercial buildings, railway and police buildings, Police and SRPF quarters, colleges, hospitals and sports complexes, etc.

Depending upon the nature of the projects undertaken by the Company, applicable labour laws and regulations include the following:

Foreign Ownership

Under the Industrial Policy and FEMA, FDI up to 100% is permitted in construction and related engineering services. Further, the Industrial Policy now also permits foreign direct investment under the automatic route in projects for construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular bridges and ports and harbours. No approvals of the FIPB or the RBI are required for such Allotment of Equity Shares under this Issue. Our Company will be required to make certain filings with the RBI after the completion of the Issue.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of equity shares to FIIs on a repatriation basis should not exceed 24% of post-Issue paid-up capital of a company. However, the limit of 24% can be raised up to the permitted sectoral cap for our Company after approval of the Board of Directors and shareholders of our Company. As on date of the Red Herring Prospectus, no such resolution has been passed / recommended for our Board/shareholder's approval.

Environmental & Labour Regulations

Depending upon the nature of the projects undertaken by our company, applicable environmental and labour laws and regulations include the following:

1. Contract Labour (Regulation and Abolition) Act, 1970;
2. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
3. Factories Act, 1948;
4. Payment of Wages Act, 1936;
5. Payment of Bonus Act, 1965;
6. Employees' State Insurance Act, 1948;
7. Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
8. Payment of Gratuity Act, 1972;
9. Shops and Commercial Establishments Acts;
10. Minimum Wages Act, 1948;
11. Workmen's Compensation Act, 1923;
12. Maternity Benefit Act 1951;
13. Equal Remuneration Act 1979;
14. Industrial Disputes Act 1947;

15. Trade Union Act 1926;
16. Child Labour Prohibition & Regulation Act 1986;
17. Inter-State Migrant workmen's Regulation of Employment & Conditions of Service) Act 1979;
18. Environment Protection Act, 1986;
19. The Water (Prevention and Control of Pollution) Act, 1974; and
20. The Air (Prevention and Control of Pollution) Act, 1981.

Labour Regulations

1. **Contract Labour (Regulation and Abolition) Act, 1970**

   The Contract Labour (Regulation and Abolition) Act, 1970 ***("CLRA")*** has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued.
   To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

2. **The Building and Other Construction workers Regulation of Employment and Conditions of Service Act 1996 and the Cess Act of 1996.**

   This Act provides for the levy and collection of a cess on the cost of construction, with a view to augmenting the resources of the Building and other Construction Workers Welfare Boards constituted under the Building and Other Construction Workers (regulation of Employment and Conditions of Service) Act, 1996. All the establishments who carry on any building or other construction work and employ 10 or more workers are covered under this Act. All such establishments are required to pay cess at the rate not exceeding 2% of the cost of construction as may be modified by the Government. The Employer of the establishment is required to provide safety measures at the Building or construction work and other welfare measures, such as Canteens, First-Aid facilities, Ambulance, Housing accommodations for workers near the work place etc. The Employer to whom the Act applies has to obtain a registration certificate from the Registering Officer appointed by the Government.

3. **Factories Act, 1948**

   The Factories Act, 1948 ("Factories Act") aims at regulating labour employed in factories. A "factory" is defined as "any premises wherein ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on." The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

   Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act

makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules there under rests on the "occupier", being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made there under or of any order in writing given there under, the occupier and the manager of the factor guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

4. **Payment of Wages Act 1936**

The Payment of Wages Act 1936 ("PWA") makes provisions regarding the date by which wages are to be paid, when it will be paid and what deductions can be made from the wages of the workers.

5. **Payment of Bonus Act 1965**

The Payment of Bonus Act 1965 is applicable to all establishments employing 20 or more employees. The said Act provides for payments of annual bonus subject to a minimum of 8.33% of wages and maximum of 20% of wages to employees drawing ` 3500/- per month or less. The bonus to be paid to employees getting ` 2500/- per month or above up to ` 3500/- per month is worked out by taking wages as ` 2500/- per month only. The Act does not apply to certain establishments. The newly set-up establishments are exempted for five years in certain circumstances. Some of the State Government has reduced the employment size from 20 to 10 for the purpose of applicability of this Act.

6. **Employees State Insurance Act, 1948**

The Employees State Insurance Act, 1948 ("ESIA") aims to provide benefits for employees or their beneficiaries in case of sickness, maternity, disablement and employment injury and to make provision for the same. It applies to, inter alia, seasonal power using factories employing ten or more persons and non-power using factories employing 20 or more persons. Every factory or establishment to which the ESIA applies is required to be registered in the manner prescribed in the ESIA. Under the ESIA, every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages up to ` 15,000/- per month is entitled to be insured. In respect of such employees, both the employer and the employee must make certain contributions to the Employee State Insurance Corporation. Currently, the employee's contribution rate is 1.75% of the wages and that of employer's is 4.75% of the wages paid/payable in respect of the employee in every wage period. The ESIA states that a principal employer, who has paid contribution in respect of an employee employed by or through an immediate employer, shall be entitled to recover the amount of the contribution so paid from the immediate employer, either by deduction from any amount payable to him by the principal employer under any contract, or as a debt payable by the immediate employer.

7. **Employees' Provident Funds and Miscellaneous Provisions Act, 1952**

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to provide provident funds for the benefit of employees in factories and other establishments. It provides for the institution of provident funds and pension funds for employees in establishments, which employ more than 20 persons, and factories specified in Schedule I of the EPFA. Under the EPFA, the Central Government has framed the "Employees' Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees' Family Pension Scheme". The funds constituted under these schemes consist of contributions from both the employer and the employees, in the manner specified in the statute. The EPFA prescribes penalties for avoiding payments required to be made under the

above-mentioned schemes.

8. **Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 ("PGA") was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years:

a) On his/her superannuation;
b) On his/her retirement or resignation;
c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply)

The PGA establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway Company; every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months; and in such other establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months, as the Central Government may, by notification, specify. Penalties are prescribed for non-compliance with statutory provisions.

9. **Local Shops and Establishments Legislations**

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

10. **Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 ("MWA") came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

11. **Workmen's Compensation Act, 1923**

The Workmen's Compensation Act, 1923 ("WCA") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/ loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

12. **Maternity Benefit Act 1951**

The Maternity Benefit Act, 1951 provides for leave and some other benefits to women employees in case of confinement or miscarriage etc.

13. **Equal Remuneration Act 1979**

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith.

14. **Industrial Disputes Act 1947**

The Industrial Disputes Act 1947 lays down the machinery and procedure for investigation, settlement and resolution of Industrial disputes in what situations a strike or lock-out becomes illegal and what are the requirements for laying off or retrenching the employees or closing down the establishment.

15. **Trade Union Act 1926**

The Trade Union Act 1926 lays down the procedure for registration of trade unions of workmen and employers. The Trade Unions registered under the Act have been given certain immunities from civil and criminal liabilities.

16. **Child Labour Prohibition & Regulation Act 1986**

The Child Labour Prohibition & Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour is prohibited in Building and Construction Industry.

17. **Inter-State Migrant workmen's Regulation of Employment & Conditions of service) Act 1979**

The Inter-State Migrant workmen's Regulation of Employment & Conditions of Service) Act 1979 is applicable to an establishment which employs 5 or more interstate migrant workmen through an intermediary (who has recruited workmen in one state for employment in the establishment situated in another state). The Inter-State migrant workmen, in an establishment to which this Act becomes applicable, are required to be provided certain facilities such as housing, medical aid, travelling expenses from home up to the establishment and back, etc.

Environmental Legislations

18. **Environment Protection Act, 1986**

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

19. **Water (Prevention and Control of Pollution) Act 1974**

Our Company is required to obtain consent under the Water (Prevention and Control of Pollution) Act 1974 for discharge of sewage and trade effluent.

20. **Air (Prevention and Control of Pollution) Act 1981**

Our Company is required to obtain consent under the Air (Prevention and Control of Pollution) Act, 1981 for establishing and operating industrial plant.

HISTORY AND CERTAIN CORPORATE MATTERS

Our History and Background

Our Company was incorporated as Prakash Constrowell Private Limited on January 4, 1996 under the Companies Act, bearing Registration No. 11-95941 having its registered office at 6/7 Falcon Plaza, National Urdu High School Road, Near Sarda Circle, Nasik – 422001, Maharashtra, India to acquire construction contracts & maintenance business of Prakash Builders, a proprietorship concern established in 1978 by Mr. Prakash P. Laddha. Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of our Company at the Extraordinary General Meeting held on December 8, 2010. The fresh Certificate of Incorporation consequent to change of name as a result of conversion to a public limited company was issued on January 5, 2011 by the Registrar of Companies, Mumbai.

There has been no change in our registered office since incorporation.

Major Events

Some of the key events of our Company & erstwhile proprietorship concern are as follows:

Year	Event
1978	Proprietorship concern formed in the name and style of "Prakash Builders"
1989	The Company received work for 600 Policemen quarters at CIDCO, Aurangabad, Maharashtra.
1996	The Company "Prakash Constrowell Private Limited" was incorporated to take-over the running business of Prakash Builders a proprietorship concern.
	The Company obtained highest class of registration i.e. Class I-A from Public Works Department, Maharashtra.
	The Company received its first work order in Bridge Segment across Godavari river at Nasik, Maharashtra from Nasik Municipal Corporation.
2002	The Company was awarded its first Infrastructure Construction work on Built Operate Transfer basis at Arni, Yevatmal, Maharashtra.
2005	The Company laid the foundation for a first of its kind "Global Pagoda" at Gorai Village in north east suburb of Mumbai, Maharashtra.
2006	The Company was honored with Best Building of the year 2006-07 under the category of Institutional Building for college building at Nasik from 'Builders Association of India'.
2007	The Company initiated a major real estate work "Acropolis" involving construction of 3 Towers.
2008	The Company ventured into Industrial Construction by taking up work of "Islampur Integrated Textile Park" at Sangli, Maharashtra.
2010	The Company was converted into a Public Limited Company

Awards and Recognitions

Year	Event
2006	The Company was honored with "*Best Building of the year 2006-07"* under the category of Institutional Building for college building at Nasik from 'Builders Association of India'.
2010	Our project *"Police Training School"* constructed for Maharashtra State Police Housing & Welfare Corporation at Sangli was accredited first green campus project in the country and awarded Four Star Rating by the Association for Development and Research of Sustainable Habitats.
2011	The Company was accredited with *"ISO 9001:2008"* quality management system certificate for construction of Roads, Bridges, Buildings and Development of Land.
2011	The Company was awarded CIDC (Construction Industry Development Council) Vishwakarma Award for its project *"Police Training School"* at Tasgoan, Sangli.

Main Objects of our Company

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To carry on the business in all its respective branches whether in India or outside India, of Promoters, Developers, Builders, Masonry and to construct, execute, carry, equip, improve, develop, work and build roadways, docks, harbours, wharfs, canals, water courses, reservoirs, bridges, well, dams, embankments, irrigations, reclamations, sewage, drainage, and other sanitary work, houses, shops, stores, industries shed and estate, factories and residential and other buildings and any kind of work in connection with building and real estate.

2. To build, erect, construct, alter, repair houses, buildings, shops, offices, factories on any land of the company or any other land and construct, develop, maintain, improve roads and other conveniences and to deal with and improve the property of the Company or any other property.

The Main Objects clause and the Objects incidental or ancillary to the Main Objects of our memorandum enable us to undertake activities for which funds are being raised through this Issue. The existing activities of our Company are in accordance with the Objects clause of our Memorandum of Association.

Changes in Memorandum of Association

Date of Resolution	Changes in Memorandum of Association
March 25, 1998	**Alteration in Capital Clause** Increased from 5,000 Equity Shares of ` 100/- each aggregating to ` 5 lakhs to 15,000 Equity Shares of ` 100/- each aggregating to ` 15 lakhs.
March 24, 2001	**Alteration in Capital Clause** Increased from 15,000 Equity Shares of ` 100/- each aggregating to ` 15 lakhs to 25,000 Equity Shares of ` 100/- each aggregating to ` 25 lakhs.
May 9, 2004	**Alteration in Capital Clause** Increased from 25,000 Equity Shares of ` 100/- each aggregating to ` 25 lakhs to 50,000 Equity Shares of ` 100/- each aggregating to ` 50 lakhs.
December 8, 2010	**Alteration in Capital Clause** 50,000 Equity Shares of ` 100/- each aggregating to ` 50 lakhs sub-divided into 5,00,000 Equity Shares of ` 10/- each aggregating to ` 50 lakhs.
	Increased from 5,00,000 Equity Shares of ` 10/- each aggregating to ` 50 lakhs to 1,50,00,000 Equity Shares of ` 10/- each aggregating to ` 1,500 lakhs.
December 8, 2010	**Change of Name** Change of name from Prakash Constrowell Private Limited to Prakash Constrowell Limited. Fresh certificate of incorporation consequent to change of name to Prakash Constrowell Limited issue by RoC dated January 5, 2011.

Total Number of Shareholders in our Company

As on the date of the Red Herring Prospectus, our Company has 8 shareholders.

Injunctions or restraining orders

Our Company is not operating under any injunction or restraining order.

Shareholders Agreements

There are no shareholders agreements towards our Company's shareinvolving our Company to which either our Promoters or our Company is a party as on the date of the Red Herring Prospectus.

Other Agreements

Except for the agreements mentioned below, as on the date of the Red Herring Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered into more than two years before the date of the Red Herring Prospectus.

Our Company has entered into share purchase agreements to acquire balance equity stake in our subsidiary companies. The details of which are as follows:

Sr. No.	Name of the Subsidiaries	Transferors	No. of Shares	Relationship with		Consideration Involved (` In Lakhs)
				Issuer	Promoter	
1.	Atal Buildwell Private Limited	Mr. Vijaygopal P. Atal	24,400	Director	NIL	53.21
		Mr. Pankaj J. Atal	5,000	NIL	NIL	
2.	Ram Buildwel Private Limited	Mr. Suresh G. Sarda	4,000	Director	NIL	78.55
		Mr. Gopal S. Karwa	900	NIL	NIL	
3.	Mohini Buildcon Private Limited	Mr. Sharad R. Karwa	4,900	Director	Spouse of Sister of Mrs. Aruna P. Laddha	85.41
4.	Punamraj Construwell Private Limited	Mr. Prashant P. Sarda	4,900	Director	NIL	17.35

Strategic Partners

Our Company does not have any strategic partners.

Financial Partners

Our Company does not have any financial partners.

SUBSIDIARIES

Our Subsidiaries

Our Company has four subsidiaries, namely:

1. Atal Buildwell Private Limited.
2. Ram Buildwel Private Limited.
3. Punamraj Construwell Private Limited.
4. Mohini Buildcon Private Limited.

Details with regards to each of the Company's subsidiaries are as set forth:

1. Atal Buildwell Private Limited.

Corporate Structure

Atal Buildwell Private Limited ("ABPL") was incorporated on March 7, 2007; having corporate identity number U45200MH2007PTC168421 with the Registrar of Companies, Maharashtra, Mumbai. The registered office of ABPL is situated at 501, Vijayraj Shrirangnagar, Gangapur Road, Nasik, Maharashtra, India. On April 10, 2010 PCL acquired 51% of the issued equity share capital of ABPL thereby making it a subsidiary of our Company.

ABPL has been incorporated *inter alia* with the main objects of Promoter, Developer, Masonry, and to construct, own, operate, manage, lease, sale, give on rent, run, shopping mall, commercial complex, multiplex theatre, wedding hall, amusement park, lawns, shopping centre and all the allied activities.

The authorized share capital of ABPL is ` 6,00,000 divided into 60,000 equity shares of ` 10/- each.

Shareholding Pattern

The shareholding pattern of ABPL as on March 31, 2011:

Sr. No.	Name of Shareholder	Number of Shares	% of Holding
1.	Prakash Constrowell Limited	30,600	51.00
2.	Vijaygopal P. Atal	24,400	40.67
3.	Pankaj J. Atal	5,000	08.33
	Total	**60,000**	**100.00**

Board of Directors

The Board of Directors of ABPL comprises of:

1. Mr. Vijaygopal P. Atal, Director
2. Mr. Pankaj Jugalkishore Atal, Director
3. Mr. Prakash P. Laddha, Director

The equity shares of ABPL are not listed on any stock exchange and it has not made any public or right issue in the preceding 3 (three) years. ABPL is not a sick company as defined under the Sick Industrial Companies (Special Provisions) Act, 1985.

Financial Statements

Statement of Assets and Liabilities (as audited)

(` in lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
A TANGIBLE ASSETS				

(` in lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Fixed Assets				
Gross Block	54.52	21.48	19.83	9.47
Less : Accumulated Depreciation	(12.63)	(6.46)	(3.07)	(1.14)
Net Block	41.88	15.02	16.76	8.34
Capital Work In Progress	-	-	-	-
Total (A)	**41.88**	**15.02**	**16.76**	**8.34**
B INTANGIBLE ASSETS				
Gross Block	-	-	-	-
Less : Amortisation	-	-	-	-
Net Block	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**
Total (A+B)	**41.88**	**15.02**	**16.76**	**8.34**
C INVESTMENTS	**-**	**0.04**	**0.05**	**-**
D DEFERRED TAX ASSET	**0.09**	**-**	**-**	**-**
E CURRENT ASSETS, LOANS & ADVANCES	-	-	-	-
Work in Progress (Inventories)	-	130.27	27.05	87.83
Sundry Debtors	107.20	6.22	22.29	8.24
Cash & Bank Balances	5.98	21.92	4.58	10.72
Loans & Advances	-	-	73.32	29.49
Other Current Assets	26.91	91.62	-	-
Total	**140.10**	**250.02**	**127.23**	**136.28**
F LIABILITIES AND PROVISIONS				
Secured Loans	24.70	2.83	4.22	-
Unsecured Loans	7.19	5.23	5.23	-
Deferred Tax Liability	-	-	-	-
Current Liabilities	28.46	95.64	38.14	111.41
Provisions	22.77	86.10	39.55	12.62
Total	**83.13**	**189.81**	**87.14**	**124.03**
G NET WORTH (A + B + C+D+E-F)	**98.94**	**75.28**	**56.90**	**20.58**
Net Worth Represented by				
Equity Share Capital	6.00	1.00	1.00	1.00
Share Application Money	-	10.00	-	-
Reserve & Surplus	92.94	64.28	55.90	19.58
Less: Miscellaneous Expenses Not W/off	-	-	-	-
H NET WORTH	**98.94**	**75.28**	**56.90**	**20.58**

Statement of Profit and Losses (as audited)

(` in lakhs)

Particulars	Year Ended			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Income				
Work Execution Receipts	413.37	740.63	841.89	403.74
Other Income	86.17	0.15	76.00	44.93
Total Income	**499.54**	**740.78**	**917.89**	**448.67**
Expenditure				
Construction Expenses	410.21	631.32	785.59	386.51
Payment & Provision for Employees	19.66	14.39	12.81	8.64
Administrative & Other Expenses	19.73	48.26	64.11	30.20
Directors remuneration & allowances	1.75	10.22	10.69	2.60
Financial Charges	0.92	0.39	0.34	-

(` in lakhs)

Particulars	Year Ended			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Depreciation & Amortization	6.17	3.39	1.93	1.13
Total Expenditure	**458.44**	**707.98**	**875.49**	**429.09**
Profit before tax and extraordinary items	**41.10**	**32.80**	**42.41**	**19.58**
Add / (Less) : Extraordinary Items	-	-	-	-
Profit Before Tax after extraordinary items	**41.10**	**32.80**	**42.41**	**19.58**
Add / (Less): Taxation / Provision for Tax				
Current Tax	(12.51)	(10.48)	(13.68)	-
Earlier Years	(0.02)	-	-	-
Deferred Tax Liability / (Assets)	0.09	-	-	-
Profit AfterTax	**28.66**	**22.33**	**28.73**	**19.58**

2. Ram Buildwel Private Limited.

Corporate Structure

Ram Buildwel Private Limited ("RBPL") was incorporated on September 18, 2007; having corporate identity number U45200MH2007PTC174223with the Registrar of Companies, Maharashtra, Mumbai. The registered office of RBPL is situated at A-5, B-3, Sayali Residency, New Shreya Nagar, Near Zambad Estate, Aurangabad, Maharashtra, India. On April 10, 2010 PCL acquired 51% of the issued equity share capital of RBPL thereby making it a subsidiary of our Company.

RBPL has been incorporated *inter alia* with the main objects of Promoters, Developers, Builders, Masonry and to construct, execute, carry, equip, improve, develop, work and build roadways, docks, harbours, wharfs, canals, water courses, reservoirs, bridges, well, dams, embankments, irrigations, reclamations, sewage, drainage, and other sanitary work, houses, shops, stores, industries shed and estate, factories and residential and other buildings and any kind of work in connection with building and real estate.

The authorized share capital of RBPL is ` 1,00,000 divided into 10,000 equity shares of ` 10/- each.

Shareholding Pattern

The shareholding pattern of RBPL as on March 31, 2011:

Sr. No.	Name of Shareholder	Number of Shares	% of Holding
1.	Prakash Constrowell Limited	5,100	51.00
2.	Suresh G. Sarda	4,000	40.00
3.	Gopal S. Karwa	900	09.00
	Total	**10,000**	**100.00**

Board of Directors

The Board of Directors of RBPL comprises of:

1. Mr. Suresh G. Sarda, Director
2. Mr. Gopal S. Karwa, Director
3. Mr. Sharad R. Karwa, Director

The equity shares of RBPL are not listed on any stock exchange and it has not made any public or right issue in the preceding 3 (three) years. RBPL is not a sick company as defined under the Sick Industrial Companies (Special Provisions) Act, 1985.

Financial Statements

Statement of Assets and Liabilities (as audited)

(` in lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
A TANGIBLE ASSETS				
Fixed Assets				
Gross Block	25.91	25.91	16.14	0.14
Less : Accumulated Depreciation	(7.81)	(4.07)	(0.32)	(0.01)
Net Block	18.10	21.84	15.81	0.13
Capital Work In Progress	-	-	-	-
Total (A)	**18.10**	**21.84**	**15.81**	**0.13**
B INTANGIBLE ASSETS				
Gross Block	-	-	-	-
Less : Amortisation	-	-	-	-
Net Block	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**
Total (A+B)	**18.10**	**21.84**	**15.81**	**0.13**
C INVESTMENTS	**-**	**-**	**-**	**-**
D DEFERRED TAX ASSET	**-**	**-**	**-**	**-**
E CURRENT ASSETS, LOANS & ADVANCES	-	-	-	-
Work in Progress (Inventories)	-	255.67	7.98	-
Sundry Debtors	88.93	-	34.27	27.33
Cash & Bank Balances	4.10	12.94	58.38	0.82
Loans & Advances	30.00	20.00	18.00	0.25
Other Current Assets	36.75	106.28	45.13	2.81
Total	**159.78**	**394.89**	**163.76**	**31.20**
F LIABILITIES AND PROVISIONS				
Secured Loans	2.83	5.78	85.00	21.23
Unsecured Loans	-	-	-	-
Deferred Tax Liability	0.11	0.28	0.28	-
Current Liabilities	38.39	268.37	58.80	3.96
Provisions	9.66	10.46	6.19	2.28
Total	**50.99**	**284.89**	**150.27**	**27.47**
G NET WORTH (A + B + C+D+E-F)	**126.90**	**131.84**	**29.30**	**3.86**
Net Worth Represented by				
Equity Share Capital	1.00	1.00	1.00	1.00
Reserve & Surplus	125.93	130.90	28.39	2.98
Less: Miscellaneous Expenses Not W/off	(0.04)	(0.06)	(0.09)	(0.12)
H NET WORTH	**126.90**	**131.84**	**29.30**	**3.86**

Statement of Profit and Losses (as audited)

(` in lakhs)

Particulars	Year Ended			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Income				
Work Execution Receipts	592.56	1,564.97	549.13	82.10
Other Income	1.18	0.99	0.01	-
Total Income	**593.74**	**1,565.96**	**549.14**	**82.10**
Expenditure				
Construction Expenses	509.95	1,392.88	486.94	76.72
Payment & Provision for Employees	8.67	18.21	5.82	0.58
Administrative & Other Expenses	15.22	32.50	26.80	0.53
Directors remuneration &	10.80	8.40	3.20	1.20

(` in lakhs)

Particulars	Year Ended			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
allowances				
Financial Charges	0.37	7.69	0.33	0.05
Depreciation & Amortization	3.74	3.74	0.35	0.04
Total Expenditure	**548.74**	**1,463.43**	**523.44**	**79.12**
Profit before tax and extraordinary items	**44.99**	**102.53**	**25.69**	**2.98**
Add / (Less): Extraordinary Items	-	-	-	-
Profit Before Tax after extraordinary items	**44.99**	**102.53**	**25.69**	**2.98**
Add / (Less) : Taxation / Provision for Tax				
Current Tax	(15.28)	-	-	-
Earlier Years	(34.85)	-	-	-
Deferred Tax Liability/ (Assets)	0.17	0.00	(0.28)	-
Profit After Tax	**(4.97)**	**102.53**	**25.41**	**2.98**

3. Punamraj Construwell Private Limited.

Corporate Structure

Punamraj Construwell Private Limited ("PNPL") was incorporated on November 21, 2006; having corporate identity number U70101MH2006PTC165679 with the Registrar of Companies, Maharashtra, Mumbai. The registered office of PNPL is situated at Flat No.5, Rushiraj Retrate, Kulkarni Baug, College Road, Nasik, Maharashtra, India. PNPL was incorporated as a subsidiary of our Company.

PNPL has been incorporated *inter alia* with the main objects of proprietors of land, industrial estates and other immovable properties, to acquire, buy, purchase, lease, exchange or otherwise plot of agriculture, non agricultural land, buildings, apartments, shops, houses, bungalows. To carry on the business of promoters, builders, land developers, contractors, etc.

The authorized share capital of PNPL is ` 1,00,000 divided into 10,000 equity shares of ` 10/- each.

Shareholding Pattern

The shareholding pattern of PNPL as on March 31, 2011:

Sr. No.	Name of Shareholder	Number of Shares	% of Holding
1.	Prakash Constrowell Limited	5,100	51.00
2.	Prashant P. Sarda	4,900	49.00
	Total	**10,000**	**100.00**

Board of Directors

The Board of Directors of PNPL comprises of:

1. Mr. Prashant P. Sarda, Director
2. Mr. Sanjay M. Sonar, Director
3. Mr. Gopal S. Karwa, Director

The equity shares of PNPL are not listed on any stock exchange and it has not made any public or right issue in the preceding 3 (three) years. PNPL is not a sick company as defined under the Sick Industrial Companies (Special Provisions) Act, 1985.

Financial Statements

Statement of Assets and Liabilities (as audited)

(` in lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
A TANGIBLE ASSETS				
Fixed Assets				
Gross Block	24.28	23.62	21.42	-
Less : Accumulated Depreciation	(7.38)	(4.71)	(1.61)	-
Net Block	16.90	18.91	19.81	-
Capital Work In Progress	-	-	-	-
Total (A)	**16.90**	**18.91**	**19.81**	**-**
B INTANGIBLE ASSETS				
Gross Block	-	-	-	-
Less : Amortisation	-	-	-	-
Net Block	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**
Total (A+B)	**16.90**	**18.91**	**19.81**	**-**
C INVESTMENTS	**-**	**-**	**-**	**-**
D DEFERRED TAX ASSET	**-**	**-**	**-**	**-**
E CURRENT ASSETS, LOANS & ADVANCES	-	-	-	-
Work in Progress (Inventories)	-	86.12	-	0.28
Sundry Debtors	16.63	26.20	0.29	-
Cash & Bank Balances	0.58	0.93	0.56	0.57
Loans & Advances	1.50	2.87	58.07	7.00
Other Current Assets	22.55	36.36	82.68	2.34
Total	**41.27**	**152.49**	**141.60**	**10.19**
F LIABILITIES AND PROVISIONS				
Secured Loans	-	-	-	-
Unsecured Loans	-	-	-	-
Deferred Tax Liability	0.06	-	-	-
Current Liabilities	21.72	157.41	150.71	6.70
Provisions	0.30	0.17	1.90	1.38
Total	**22.08**	**157.58**	**152.61**	**8.09**
G NET WORTH (A + B + C+D+E-F)	**36.09**	**13.82**	**8.80**	**2.10**
Net Worth Represented by				
Equity Share Capital	1.00	1.00	1.00	1.00
Share Application Money	3.00	-	-	-
Reserve & Surplus	32.12	12.87	7.87	1.21
Less: Miscellaneous Expenses Not W/off	(0.03)	(0.05)	(0.08)	(0.11)
H NET WORTH	**36.09**	**13.82**	**8.80**	**2.10**

Statement of Profit and Losses (as audited)

(` in lakhs)

Particulars	Year Ended			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Income				
Work Execution Receipts	239.52	278.94	297.46	44.48
Other Income	2.03	0.53	0.04	0.28
Total Income	**241.55**	**279.47**	**297.50**	**44.76**
Expenditure				
Construction Expenses	197.52	232.98	178.66	21.85
Payment & Provision for Employees	2.08	1.32	1.79	-
Administrative & Other Expenses	5.69	31.03	101.33	21.70
Directors remuneration & allowances	4.00	6.03	4.47	-
Financial Charges	-	-	-	-

(` in lakhs)

Particulars	Year Ended			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Depreciation & Amortization	2.67	3.11	1.61	-
Total Expenditure	**211.95**	**274.47**	**287.86**	**43.55**
Profit before tax and extraordinary items	**29.60**	**5.00**	**9.63**	**1.21**
Add / (Less): Extraordinary Items	-	-	-	-
Profit Before Tax after extraordinary items	**29.60**	**5.00**	**9.63**	**1.21**
Add / (Less) : Taxation / Provision for Tax				
Current Tax	(8.81)	-	(2.52)	-
Earlier Years	(1.49)	-	-	-
Deferred Tax Liability / (Assets)	(0.06)	-	-	-
Profit After Tax	**19.24**	**5.00**	**7.11**	**1.21**

4. Mohini Buildcon Private Limited.

Corporate Structure

Mohini Buildcon Private Limited ("MBPL") was incorporated on November 21, 2006; having corporate identity number U70101MH2006PTC165682 with the Registrar of Companies, Maharashtra, Mumbai. The registered office of MBPL is situated at Flat No. 4, Vijaygopal Housing Society, Tidke Colony, Nasik, Maharashtra, India. MBPL was incorporated as a subsidiary of our Company.

MBPL has been incorporated *inter alia* with the main objects of proprietors of land, industrial estates and other immovable properties, to acquire, buy, purchase, lease, exchange or otherwise plot of agriculture, non agricultural land, buildings, apartments, shops, houses, bungalows. To carry on the business of promoters, builders, land developers, contractors, etc.

The authorized share capital of MBPL is ` 1,00,000 divided into 10,000 equity shares of ` 10/- each.

Shareholding Pattern

The shareholding pattern of MBPL as on March 31, 2011:

Sr. No.	Name of Shareholder	Number of Shares	% of Holding
1.	Prakash Constrowell Limited	5,100	51.00
2.	Sharad R. Karwa	4,900	49.00
	Total	**10,000**	**100.00**

Board of Directors

The Board of Directors of MBPL comprises of:

1. Mr. Sharad R. Karwa, Director
2. Mr. Umesh C. Kasat, Director
3. Mr. Suresh G. Sarda, Director

The equity shares of MBPL are not listed on any stock exchange and it has not made any public or right issue in the preceding 3 (three) years. MBPL is not a sick company as defined under the Sick Industrial Companies (Special Provisions) Act, 1985.

Financial Statements

Statement of Assets and Liabilities (as audited)

(` in lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
A TANGIBLE ASSETS				
Fixed Assets				
Gross Block	31.91	26.30	17.72	6.92
Less : Accumulated Depreciation	(12.08)	(7.59)	(2.87)	(0.54)
Net Block	19.83	18.72	14.85	6.38
Capital Work In Progress	-	-	-	-
Total (A)	**19.83**	**18.72**	**14.85**	**6.38**
B INTANGIBLE ASSETS				
Gross Block	-	-	-	-
Less : Amortisation	-	-	-	-
Net Block	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**
Total (A+B)	**19.83**	**18.72**	**14.85**	**6.38**
C INVESTMENTS	**-**	**-**	**-**	**-**
D DEFERRED TAX ASSET	**0.17**	**-**	**-**	**-**
E CURRENT ASSETS, LOANS &	-	-	-	-
Work in Progress (Inventories)	-	123.31	193.18	-
Sundry Debtors	126.98	-	80.90	17.07
Cash & Bank Balances	6.14	26.35	21.03	19.85
Loans & Advances	61.54	173.64	136.13	8.70
Total	**194.66**	**323.30**	**431.25**	**45.62**
F LIABILITIES AND PROVISIONS				
Secured Loans	-	1.12	2.65	3.41
Unsecured Loans	-	19.00	-	-
Deferred Tax Liability	-	-	-	-
Current Liabilities	17.57	92.98	233.00	22.99
Provisions	25.01	103.29	135.80	19.47
Total	**42.57**	**216.39**	**371.45**	**45.87**
G NET WORTH (A + B + C+D+E-F)	**172.09**	**125.63**	**74.64**	**6.12**
Net Worth Represented by				
Equity Share Capital	1.00	1.00	1.00	1.00
Reserve & Surplus	171.14	124.69	73.73	5.23
Less: Miscellaneous Expenses Not	(0.04)	(0.06)	(0.09)	(0.11)
H NET WORTH	**172.09**	**125.63**	**74.64**	**6.12**

Statement of Profit and Losses (as audited)

(` in lakhs)

Particulars	Year Ended			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Income				
Work Execution Receipts	736.59	1,607.78	745.74	253.43
Other Income	2.90	71.46	0.49	0.17
Total Income	**739.50**	**1,679.24**	**746.23**	**253.60**
Expenditure				
Construction Expenses	619.30	1,536.67	639.96	241.41
Payment & Provision for Employees	5.68	2.92	21.33	2.01
Administrative & Other Expenses	32.90	30.45	1.13	1.88
Directors remuneration & allowances	9.60	5.40	4.15	-
Financial Charges	0.05	1.05	0.37	0.11
Depreciation & Amortization	4.49	4.17	2.87	0.54
Total Expenditure	**672.03**	**1,580.65**	**669.81**	**245.96**
Profit before tax and extraordinary items	**67.46**	**98.58**	**76.42**	**7.64**
Add / (Less): Extraordinary Items	-	-	-	-
Profit Before Tax after extraordinary items	**67.46**	**98.58**	**76.42**	**7.64**
Add / (Less) : Taxation / Provision for				

(` in lakhs)

Particulars	Year Ended			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Tax				
Current Tax	(21.13)	(30.62)	(7.92)	(2.41)
Earlier Years	(0.07)	(17.00)	-	-
Deferred Tax Liability/ (Assets)	0.17	-	-	-
Profit After Tax	**46.44**	**50.97**	**68.50**	**5.23**

OUR MANAGEMENT

Under our Articles, our Company is required to have not less than three Directors and not more than twelve Directors. As on the date of the Red Herring Prospectus, our Board comprises of Nine Directors.

Our Board

As on the date of the Red Herring Prospectus, our Board comprises of:

Sr. No.	Name, Designation, Father's name, Address, Nationality, Occupation and DIN	Age	Date of Appointment as Director and Term	Details of other Directorships / partnerships / co-operative societies	Details of Current and past directorship(s) in listed companies
1.	**Mr. Prashant P. Sarda** *Designation:* Chairman and Non-Executive Director *Father's name:* Mr. Punamchand G. Sarda *Residential Address:* 5, Rushiraj Retrate, Kulkarni Baug, Opp. BYK College, Nasik - 422 005, Maharashtra. *Nationality:* Indian *Occupation:* Business *DIN:* 00126888	44	*Date of appointment:* Appointed as Non-Executive Chairman with effect from January 1, 2011. *Term:* Liable to retire by rotation	*Indian Companies* Punamraj Construwell Private Limited.	Whose shares have been/were suspended from being traded on the BSE/NSE: **Nil** Which have been/were delisted from the stock exchange(s): **Nil**
2.	**Mr. Krishnan G. Trichur** *Designation:* Managing Director *Father's name:* Mr. Ganpat Krishnan Tirchur *Residential Address:*Flat No.8, 2nd Floor, Rajhans Society, Near Old R.T.O., Tilakwadi, Nasik - 422 002, Maharashtra. *Nationality:* Indian *Occupation:*	74	*Date of appointment: R*eappointed as Managing Director with effect from January 1, 2011 *Term:* January 1, 2011 to December 31, 2015	*Nil*	Whose shares have been/were suspended from being traded on the BSE/NSE: **Nil** Which have been/were delisted from the stock exchange(s): **Nil**

Sr. No.	Name, Designation, Father's name, Address, Nationality, Occupation and DIN	Age	Date of Appointment as Director and Term	Details of other Directorships / partnerships / co-operative societies	Details of Current and past directorship(s) in listed companies
	Professional *DIN:* 00126759				
3.	**Mr. Prakash P. Laddha** *Designation:* Whole Time Director *Father's name:* Mr. Pusaram R. Laddha *Residential Address:* "Kaushal", Sadhu-Waswani Road, Kulkarni Colony, Nasik - 422 002, Maharashtra. *Nationality:* Indian *Occupation:* Business *DIN:* 00126825	56	*Date of appointment:* Appointed as Whole Time Director with effect from January 1, 2011. *Term:* January 1, 2011 to December 31, 2015	*Indian Companies* a) Atal Buildwell Private Limited. b) Atal Buildcon Private Limited. c) Q Fab Cement Private Limited. d) Perfect Aggregates Private Limited. e) Vastu-krupa Construction (India) Private Limited. f) Jai Kumar Real Estate Private Limited. *Trust* a) Badrilal Soni Charitable Trust	Whose shares have been/were suspended from being traded on the BSE/NSE: **Nil** Which have been/were delisted from the stock exchange(s): **Nil**
4.	**Mr. Vijaygopal P. Atal** *Designation:* Non-Executive Director *Father's name:* Mr. Parasram S. Atal *Residential Address:* Flat No. 501/502, Vijayraj Apartment, Shrirang Nagar, Nasik - 422 013, Maharashtra. *Nationality:* Indian *Occupation:* Business *DIN:* 00126667	49	*Date of appointment:* Appointed as Non-Executive Director with effect from January 5, 2011 *Term:* Liable to retire by rotation.	*Indian Companies* a) Atal Buildwell Private Limited. b) Atal Buildcon Private Limited. c) Q Fab Cement Private Limited. d) Jai Kumar Real Estate Private Limited.	Whose shares have been/were suspended from being traded on the BSE/NSE: **Nil** Which have been/were delisted from the stock exchange(s): **Nil**

Sr. No.	Name, Designation, Father's name, Address, Nationality, Occupation and DIN	Age	Date of Appointment as Director and Term	Details of other Directorships / partnerships / co-operative societies	Details of Current and past directorship(s) in listed companies
5.	**Mr. Suresh G. Sarda** *Designation:* Non-Executive Director *Father's name:* Mr. Girdharlal R. Sarda *Residential Address:* A-5/B-3, Sayali Residency, Zambad Estate, Shreya Nagar, Aurangabad - 431 005, Maharashtra. *Nationality:* Indian *Occupation:* Business *DIN:* 00126625	52	*Date of appointment:* Appointed as Non-Executive Director with effect from January 1, 2011. *Term:* Liable to retire by rotation	*Indian Companies* a) Ram Buildwel Private Limited. b) Kanak Agropipes Private Limited. c) Mohini Buildcon Private Limited.	Whose shares have been/were suspended from being traded on the BSE/NSE: **Nil** Which have been/were delisted from the stock exchange(s): **Nil**
6.	**Mr. Sharad R. Karwa** *Designation:* Non-Executive Director *Father's name:* Mr. Ramnarayan H. Karwa *Residential Address:* Flat No. 4, Vijaygopal Hsg. Soc., Tidake Colony, Nasik - 422 002, Maharashtra. *Nationality:* Indian *Occupation:* Business *DIN:* 00126801	46	*Date of appointment:* Appointed as Non-Executive Director with effect from January 1, 2011. *Term:* Liable to retire by rotation	*Indian Companies* a) Mohini Buildcon Private Limited. b) Ram Buildwel Private Limited.	Whose shares have been/were suspended from being traded on the BSE/NSE: **Nil** Which have been/were delisted from the stock exchange(s): **Nil**
7.	**Mr. Jayant V. Phalke** *Designation:* Independent Director *Father's name:* Mr. Vishnu Hanmant Phalke *Residential Address:* Flat No. 8, Plot No.	76	*Date of appointment:* Appointed as Independent Director on March 1, 2011 *Term:* Liable to retire by rotation	*Indian Companies* *a) Modern Science Apparatus Private Limited.*	Whose shares have been/were suspended from being traded on the BSE/NSE: **Nil** Which have been/were delisted from the stock exchange(s): **Nil**

Sr. No.	Name, Designation, Father's name, Address, Nationality, Occupation and DIN	Age	Date of Appointment as Director and Term	Details of other Directorships / partnerships / co-operative societies	Details of Current and past directorship(s) in listed companies
	44, Krishna Kunj, Sion (West), Mumbai – 400 022 *Nationality:* Indian *Occupation:* Retired Scientist *DIN:* 00332887				
8.	**Mr. Nagesh W. Mendhekar** *Designation:* Independent Director *Father's name:* Mr. Wamanrao Mendhekar *Residential Address:* A-504, Fantasia Building, Raheja Gardens, LBS Road, Thane (W) - 400 604, Maharashtra. *Nationality:* Indian *Occupation:* Professional *DIN:* 03146096	62	*Date of appointment:* Appointed as Independent Director with effect from November 27, 2010. *Term:* Liable to retire by rotation	*Indian Companies* *a)* Suyog Gurbaxani Funicular Ropeways Private Limited.	Whose shares have been/were suspended from being traded on the BSE/NSE: **Nil** Which have been/were delisted from the stock exchange(s): **Nil**
9.	**Mr. Hemant M. Rathi** *Designation:* Independent Director *Father's name:* Mr.Motilal Rathi *Residential Address:* Anand Bungalow, Near Tupsakhare Lawn, Nasik - 422 013, Maharashtra. *Nationality:* Indian *Occupation:* Business *DIN:* 00175854	50	*Date of appointment:* Appointed as Independent Director with effect from November 27, 2010. *Term:* Liable to retire by rotation	*Indian Companies* *a)* Empire Spices & Foods Limited. *b)* Rambandhu Masalewale Private Limited.	Whose shares have been/were suspended from being traded on the BSE/NSE: **Nil** Which have been/were delisted from the stock exchange(s): **Nil**

Brief Biography of our Directors

Mr. Prashant P. Sarda, Chairman and Non-Executive Director

Mr. Prashant P. Sarda, aged 44 years, is the Non-Executive Chairman of the Company. Mr. Sarda has over 20 years of cumulative experience in construction industry. He did his Bachelor in Civil Engineering from Marathwada University, Aurangabad, in the year 1988. He has been associated with the group post his graduation and has been instrumental in the expansion of Company's road and bridge segment. He is actively associated with the functionality of our Company and is involved in the overall planning and strategizing of the organisation.

Mr. Krishnan G. Trichur, Managing Director

Mr. Krishnan G. Trichur, aged 74 years, is the Managing Director of the Company. With over 40 years of cumulative experience, he is the senior most director of the Company. He did his Bachelor's in Science from Pune University in the year 1959. He began his carrier in the year 1961 and was associated with Gangapur Sugar Mills Limited, Aurangabad for the period 1961-69 as Technical Officer. Later in the year 1970 he associated himself as a partner in Sahyadri Machinery Division, engaged in the execution of water supply schemes on turnkey basis. He was appointed as director of the Company with effect from September 1, 2005. He is actively involved with the day to day working of the Company and looks after the tendering and administrative matters.

Mr. Prakash P. Laddha, Executive Director

Mr. Prakash P. Laddha, aged 56 years, is the Promoter and Whole-time Director of our Company. With over three decades of industrial and entrepreneurial experience he has been instrumental in establishing the Company and has been associated as a Director since inception. He began his career in the year 1974 as head-tendering department in M/s. Sahyadri Constructions, engaged in construction and development business in Nasik at that time and mastered the fundamentals of civil construction and related finance. He forayed into his own business of crushing stones in 1978 as a proprietor. Later, in the same year itself, he setup his own construction business and eventually in the year 1996, he incorporated Prakash Constrowell Private Limited. He is actively involved in the business development and corporate relationship functions of our Company.

Apart from business he is actively involved with several non-government organizations and various social upliftment programmes; viz. Vanbandhu Parishad and Dhamma Nasika Vipassana Centre. He was entrusted with the responsibility of the trusteeship of Dhamma Giri, Igatpuri, Maharashtra for the period 1998-2006.

Mr. Vijaygopal P. Atal, Non-Executive Director

Mr. Vijaygopal P. Atal, aged 49 years, is the Non-Executive Director of the Company. He has more than 20 years of experience in the field of Construction and Real Estate development. He did his Bachelor's in Civil Engineering in the year 1987 from Nagpur University. In his early years, after graduation he was looking after his family business of ginning & pressing of cotton. He has been associated with our company since 1996. Under his able guidance our Company has successfully completed numerous Government projects like hospitals, hostels, court buildings, colleges and police quarters.

He is actively associated with various industry associations which includes; Builders Association of India (BAI) as Secretary (Nasik – Chapter), CREDAI (Confederation of Real Estate Developers Association of India) as member and Institution of Engineers India as member.

Mr. Suresh G. Sarda, Non-Executive Director

Mr. Suresh G. Sarda, aged 52 years, is the Non-Executive Director of the Company. He has over 25 years of experience in varied industries. He did his Bachelor in Mechanical Engineering from Nagpur University in the year 1981. Mr. Sarda was previously employed at Supreme Industries Limited, Jalgaon for the period 1981-86. He was in-charge of their newly upcoming project looking after

erection, installation and commissioning of Japanese Polythene Foam plant. In the year 1987 he associated himself with Prakash Builders, erstwhile partnership firm of our Company. He has diversified business interest and has recently ventured into PVC Pipe manufacturing project in the name and style of M/s. Kanak Agro Pipes Private Limited.

Mr. Sharad R. Karwa, Non-Executive Director

Mr. Sharad R. Karwa, aged 46 years, is the Non-Executive Director of the Company. He has more than 18 years of experience in construction industry. He did his Bachelor in Civil Engineering from Amravati University, Maharashtra in the year 1987. He has been associated with the Company since 1996.

Mr. Jayant V. Phalke, Independent Director

Mr. Jayant V. Phalke, aged 76 years, is the Non-Executive and Independent Director of our Company. He has a vast experience in the area of scientific research and development. He did his Bachelor in Science in 1956 and further did his double Masters in Science (Physics & Mathematics) from Pune University. He worked with Bhabha Atomic Research Centre (BARC) as a Scientific Officer for the period 1960-1974; it was during this period he was sent to Canada for 15 months training by Government of India under the "Colombo Plan" and was working with Atomic Energy Canada Limited at Chalkriver, Ontario, Canada. Currently he is working with an NGO named "Vidnyan Vahini" of which he is a founder member. The NGO is headquartered at Pune and teaches scientific experiments to rural students for free with the aid of mobile laboratory. He is associated with our Company since March, 2011.

Mr. Nagesh W. Mendhekar, Independent Director

Mr. Nagesh W. Mendhekar, aged 62 years, is the Non-Executive and Independent Director of our Company. He has a vast experience in the area of construction and infrastructure development. He has worked with the Public Works Department (PWD), Government of Maharashtra for a period of 36 years, in various capacities. He is a Bachelor in Civil Engineering from Marathwada University, Aurangabad. At the time of retirement, he held the position of Superintending Engineer – PWD Thane. During his long stint with Public Works Department, he gained knowledge and expertise in various areas such as Construction of Roads, Bridges, Colleges and Quarters. Currently he is working as consultant and arbitrator. He is associated with our Company since November, 2010.

Mr. Hemant M. Rathi, Independent Director.

Mr. Hemant M. Rathi, aged 50 years, is the Non-Executive and Independent Director of our Company. He is a renowned industrialist and has more than 20 years of experience in spice manufacturing. He is a Bachelor of Commerce from Pune University, CWA (Inter) from Institute of Cost and Works Accountants of India and CS (Inter) from Institute of Company Secretaries of India. He has been associated with numerous industry bodies in various capacities; to name a few:

- Maharashtra Chamber of Commerce, Industry and Agriculture (MACCIA) - Past President
- Mumbai Port Trust - First Trustee from North Maharashtra
- Saraswat Co-Operative Bank Limited - Director
- Confederation of Indian Food, Trade and Industry (CIFTI - a food wing of FICCI) - Member

Mr. Rathi has also served as office bearer with many prestigious organizations including

- All India Food Association
- Anti Corruption Bureau
- Food and Drug Administration

Mr. Rathi is the Promoter and present Chairman of Empire Spices & Foods Limited, a Company manufacturing Spices, Pickles and Papad under the brand name "RAMBANDHU" having network across India and abroad. He is associated with our Company since November, 2010.
Mr. Prakash Laddha resigned from the directorship of Navalji Cotspin Limited w.e.f August 30, 2011.

Confirmations

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.

Relationship between the Directors

1. Mr. Sharad R. Karwa is Mr. Prakash P. Laddha's Spouse's Sisters Husband

Except as stated above, none of the other Directors of the Company are related to each other.

Arrangement or understanding

None of our Directors or members of senior management have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Borrowing powers of our Board of Directors

Our Directors can borrow such sums as and when required which do not exceed the paid up share capital and the free reserves of our Company from time to time.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 324 of the Red Herring Prospectus.

Remuneration/Compensation of Directors

A. Executive Directors

i. Mr. Krishnan Ganpat Trichur, Managing Director of our Company, was appointed on September 1, 2005, he was reappointed with effect from January 1, 2011 *vide* EOGM resolution dated January 29, 2010 for a term of 5 (five) years ending on December 31, 2015. The significant terms of his employment *vide* resolution passed at the EOGM held on January 29, 2011 are as follows:

Tenure	Period of 5 (Five) years with effect from January 1, 2011
Basic Salary	` 40,000/- (Rupees Forty Thousand Only) per month.
Commission	Commission not exceeding 5 % of net profits of the Company in addition to the salary, perquisites and allowances, subject to the overall ceiling stipulated in Sections 198 and 309 of the Companies Act, 1956.
Perquisite	**Housing:** The expenditure to the Company on hiring furnished accommodation shall not exceed ` 12,000/-per month. In case the Managing Director is provided accommodations owned by the Company, he will pay ` 4,000/- per month towards house rent. **Medical Reimbursement:** Expenses incurred for the appointee and his family subject upto to a ceiling of ` 40,000/- in a year or `2,00,000/- over a period of five years. **Personal Accident Policy:** Annual premium on the policy in financial year shall not exceed ` 10,000/-. **Employer's contribution to Provident fund/superannuation fund:**

	As per rules laid down by the Company. **Gratuity:** Gratuity payable shall be at the rate of 15 days salary for each completed year of service in accordance with the rules. **Car/Telephone:** Car with driver for use on Company's business and telephone/telefax facilities at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee. The aforesaid remuneration will be subject to the limit of 5% of the net profits as laid down under sub-section (3) of section 309 of the Companies Act, 1956.
Other	**Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Krishnan G. Trichur the Company has no profits or the profits of the Company are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above. **Explanation:** Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

ii. Mr. Prakash P. Laddha, Whole-time Director of our Company, was one of the subscribers to the Memorandum of Association of our Company and was appointed on the Board of Directors as per the Articles of Association of our Company. He has been appointed as the Whole-time Director with effect from January 1, 2011 *vide* EOGM resolution dated January 29, 2010 for a term of 5 (five) years ending on December 31, 2015. The significant terms of his employment *vide* resolution passed at the EOGM held on January 29, 2011 are as follows:

Tenure	Period of 5 (Five) years with effect from January 1, 2011
Basic Salary	` 1,00,000/- (Rupees One Lakh) per month.
Commission	Commission not exceeding 5 % of net profits of the Company in addition to the salary, perquisites and allowances, subject to the overall ceiling stipulated in Sections 198 and 309 of the Companies Act, 1956.
Perquisite	**Housing:** The expenditure to the Company on hiring furnished accommodation shall not exceed ` 60,000/- per month. In case the Whole-time Director is provided accommodations owned by the Company, he will pay ` 10,000/- per month towards house rent. **Medical Reimbursement:** Expenses incurred for the appointee and his family subject upto to a ceiling of ` 1,00,000/-in a year or ` 5,00,000/- over a period of five years. **Personal Accident Policy:** Annual premium on the policy in financial year shall not exceed ` 10,000/-. **Employer's contribution to Provident fund/superannuation fund:** As per rules laid down by the Company. **Gratuity:** Gratuity payable shall be at the rate of 15 days salary for each

	completed year of service in accordance with the rules. **Car/Telephone:** Car with driver for use on Company's business and telephone/telefax facilities at residence will be provided to the appointee. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee. The aforesaid remuneration will be subject to the limit of 5% of the net profits as laid down under sub-section (3) of section 309 of the Companies Act, 1956.
Other	**Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Prakash P. Laddha the Company has no profits or the profits of the Company are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above. **Explanation:** Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

B. **Non-Executive and Independent Directors**

Our Non-Executive and Independent Directors are entitled to sitting fees for attending meetings of the Board, or of any committee of the Board. Currently, the sitting fees payable by our Company to our Directors is ` 2,000/- for every meeting of the Board attended by them and ` 2,000/- for every meeting of the committee of the Board attended by them.

Shareholding of Our Directors

As per our Articles, our Directors are not required to hold any qualification shares in our Company. Save and except as below, our Directors do not hold any Equity Shares in our Company as on the date of filing of the Red Herring Prospectus.

Sr. No.	Name of the Directors	Number of Equity Shares as on March 31, 2011	% of pre issue equity share capital
1.	Mr. Prashant P. Sarda	40,000	0.49
2.	Mr. Vijaygopal P. Atal	40,000	0.49
3.	Mr. Prakash P. Laddha	42,00,000	51.09
4.	Mr. Suresh G. Sarda	40,000	0.49
5.	Mr. Sharad R. Karwa	40,000	0.49
	Total	**43,60,000**	**53.05**

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as executive directors of our Company and reimbursement of expenses payable to them under our Articles of Association. All our Directors may also be deemed to be interested to the extent of equity shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Further following directors are interested in the net proceeds of the issue to the extent of their shareholding in thesubsidiairies:

Sr. No.	Name of the Subsidiaries	Transferors	No. of Shares	Interest of directors in the net proceeds of the issue (` In Lakhs)
1.	Atal Buildwell Private Limited	Mr. Vijaygopal P. Atal	24,400	44.16
2.	Ram Buildwel Private Limited	Mr. Suresh G. Sarda	4,000	64.12
3.	Mohini Buildcon Private Limited	Mr. Sharad R. Karwa	4,900	85.41
4.	Punamraj Construwell Private Limited	Mr. Prashant P. Sarda	4,900	17.35

Further, save and except as stated otherwise on page 138 under the heading titled "*Property*" in the chapter titled "*Business Overview"* beginning on page 114 of the Red Herring Prospectus, page 166 under the headings titled "*Shareholding of our Directors*" and "*Interest of Directors*" in the chapter titled "*Our Management"* beginning on page 158 of the Red Herring Prospectus, and page 203 under the Annexure XVII titled "*Related Party Disclosure*" in the chapter titled "*Financial Statement"* beginning on page 183 of the Red Herring Prospectus, and on page 175 under the heading tilted *"Interest of our Promoters"* in the chapter titled *"Our Promoters"* beginning on page 174 of the Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of filing of the Red Herring Prospectus with SEBI.

Our Directors are not interested in the appointment of, or acting as Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

Changes in our Board of Directors during the last three years

The following are the changes in our Board of Directors during the last three years:

Name and Designation of the Director	Date of Appointment	Date of Resignation	Reasons
Mr. Prashant P. Sarda, Non-Executive Chairman	January 1, 2011		Appointed as Non-Executive Chairman
Mr. Krishnan G. Trichur, Managing Director	January 1, 2011		Re-appointment
Mr. Vijaygoal P. Atal, Whole-time Director	January 1, 2011	January 5, 2011	Appointed as Whole-Time Directorship
Mr. Prakash P. Laddha, Whole-time Director	January 1, 2011		Appointed as Whole-time Director
Mr. Suresh G. Sarda, Non-Executive Director	January 1, 2011		Appointed as Non-Executive Director
Mr. Sharad R. Karwa, Non-Executive Director	January 1, 2011		Appointed as Non-Executive Director
Mr. Vijaygoal P. Atal, Non-Executive Director	January 5, 2011		Resigned from Whole Time Director and Appointed as Non-Executive Director
Mr. Paresh N. Bhagat, Independent Director	November 27, 2010	March 1, 2011	Resignation upon pre-occupation
Mr. Nagesh W. Mendhekar, Independent Director	November 27, 2010		Appointed as Independent Director
Mr. Hemant M. Rathi, Independent Director	November 27, 2010		Appointed as Independent Director
Mr. Jayant V. Phalake, Independent Director	March 1, 2011		Appointed as Independent Director

Corporate Governance

We have complied with the requirements of corporate governance contained in the Listing Agreements to be entered into with the Stock Exchanges, particularly those in relation to the

composition of the Board of Directors, constitution of committees such as audit committee, remuneration committee and investor/shareholders grievance committee. We have also adopted the corporate governance code in accordance with Clause 49 of the Listing Agreements to be entered into with the Stock Exchanges, as would be applicable to the Company upon the listing of its Equity Shares.

The Company undertakes to take all necessary steps to comply with all the requirements of the SEBI ICDR Regulations on corporate governance and adopt the corporate governance code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Currently our Board has nine Directors, and the Chairman of the Board is a non-executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, our Board consists of (i) not less than 50% non-executive Directors and (ii) at least one-third independent Directors. Our Board has constituted the following committees:

1. Audit Committee
2. Remuneration Committee
3. Shareholders' / Investors' Grievance Committee

Audit Committee

The Audit Committee was constituted *vide* a resolution passed by the Board at its meeting held on March 1, 2011**.** The terms of reference of the audit committee covers the matters specified under Section 292A of the Companies Act. The committee is responsible for effective supervision of the financial operations and ensuring that financial, accounting activities and operating controls are exercised as per the laid down policies and procedures.

The terms of reference of the Audit Committee are in compliance with the requirements of clause 49 of the Listing Agreement as well as Section 292 A of the Companies Act. These broadly include approval of internal audit programme, review of financial reporting systems, internal control systems, ensuring compliance with statutory and regulatory provisions, discussions on quarterly, half yearly and annual financial results, interaction with senior management, statutory and internal auditors, recommendation for re-appointment of statutory auditors etc.

The audit committee comprises of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Hemant M. Rathi	Chairman	Independent Director
Mr. Nagesh W. Mendhekar	Member	Independent Director
Mr. Prakash P. Laddha	Member	Executive & Whole-time Director

Powers of the Audit Committee

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with reasonable expertise, if considered necessary.

Role of the Audit Committee

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

The Audit Committee is required to meet at least four times in a year under Clause 49 of the Listing Agreement.

Remuneration / Compensation Committee

Our Company has constituted a Remuneration / Compensation Committee pursuant to the requirement of Schedule XIII of the Companies Act for approving remuneration to the executive Directors. This Remuneration / Compensation Committee, while approving minimum remuneration under Schedule XIII, takes into account the financial position of our Company, trends in industries, Director's qualifications, experience, past performance, past remuneration etc. The remuneration committee was constituted *vide* a resolution passed by the Board at its meeting held on March 1, 2011.

The Remuneration / Compensation Committee comprises of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Nagesh W. Mendhekar	Chairman	Independent Director
Mr. Hemant M. Rathi	Member	Independent Director

Mr. Prashant P. Sarda	Member	Non-Executive Director

The terms of reference of the Remuneration / Compensation Committee of our Company include:

1. Framing suitable policies and systems to ensure that there is no violation, by an Employee or the Company of any applicable laws in India or overseas, including:
   - The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
   - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995;
2. Determine on behalf of the Board and the shareholders the company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payments;
3. Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - ESOP Guidelines, in particular, those stated in Clause 5 of the ESOP Guidelines; and
4. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Shareholders'/Investors' Grievance Committee

Our Company has constituted Shareholders'/Investors' Grievance Committee pursuant to clause 49 of the listing agreement for looking into the redressal of shareholders' complaints like transfer of shares, non-receipt of balance sheet etc. The Shareholders'/Investors' Grievance Committee was constituted *vide* a resolution passed by the Board at its meeting held on March 1, 2011.

The Shareholders'/Investors' Grievance Committee' comprises of the following Directors:

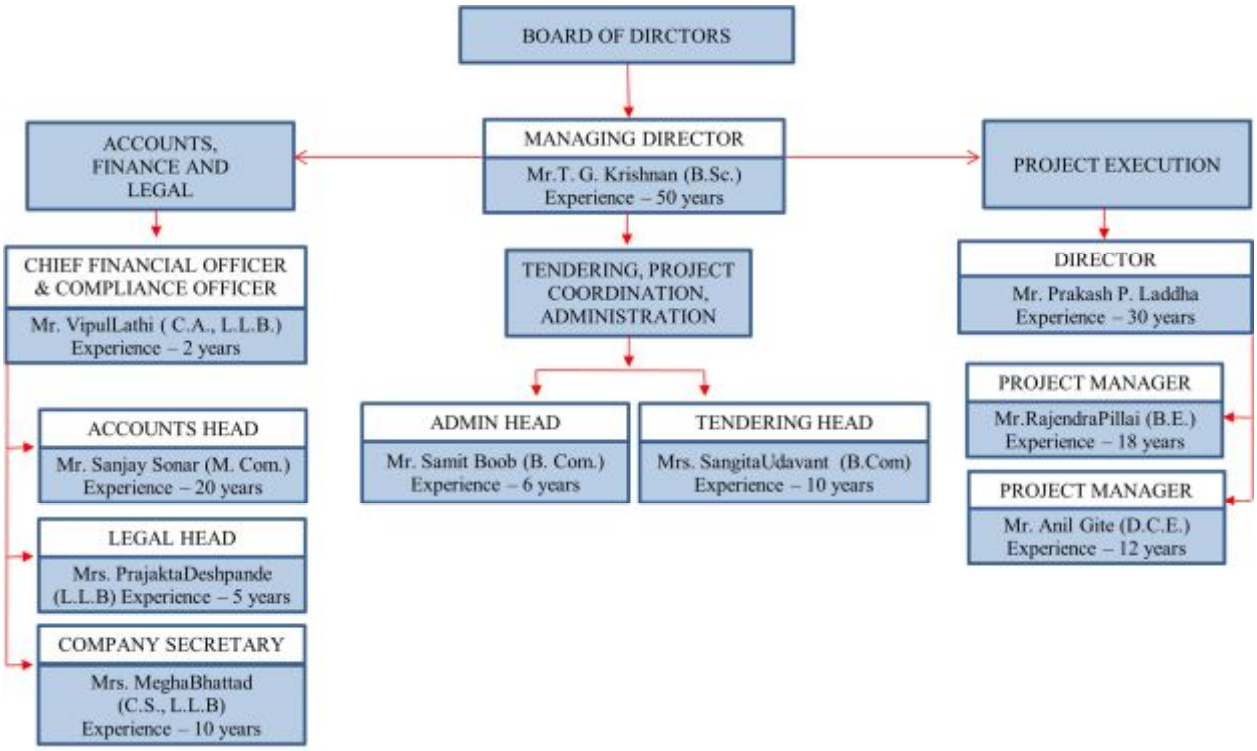
Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Sharad R. Karwa	Chairman	Non-Executive Director
Mr. Vijaygopal P. Atal	Member	Non-Executive Director
Mr. Hemant M. Rathi	Member	Independent Director

The Shareholders' / Investors' Grievance Committee was constituted specifically to look into the redressal of shareholders and investors' complaints like:

1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.;
3. Issue of duplicate / split / consolidated share certificates;
4. Allotment and listing of shares;
5. Reference to statutory and regulatory authorities regarding investor grievances; and
6. Ensure proper and timely attendance and redressal of investor queries and grievances.

Organisation Structure

As on the date of the Red Herring Prospectus, the following is the organization structure of our Company:



Our Key Managerial Personnel

Our Company is managed by its Board of Directors, assisted by qualified professionals having vast experience in the field of finance, compliance and marketing. Apart from Managing Director and Whole Time Director, following are the Key Managerial Personnel of the Company.

Sr. No.	Name, Designation, Age, Qualification	Date of Appointment	Remuneration for fiscal 2011 (`)	Experience in the Company	Previous Company and Total Experience
1.	Mr. Vipul Dileep Lathi Chief Financial Officer & Compliance Officer **Age –** 25 **Qualification** – Chartered Accountant (C.A.), Bachelor of Law (L.L.B), Master of Business Administration (MBA) in construction management.	December 1, 2010	1,20,800/-	3 months	A.K. Zunzunwala & Co. Kasat Totala Achaliya & Asso. 3 year compulsory training.
2.	Mr. Sanjay M. Sonar **Head** – Accounts **Age** – 48 **Qualification** – M.Com, Government Diploma in Co-operation and Accountancy (GDCA)	April 1, 1996	4,38,000/-	15 years	Vasant Oswal & Co. 1 Year
3.	Mr. Samit H. Boob **Head** – Administration **Age** – 28 **Qualification** – Bachelor of Commerce (B.Com)	July 21, 2003	1,18,390/-	7 years	Nil
4.	Mr. Anil B. Gite **Head** – Project **Age –** 42	October 1, 1996	2,39,580/-	15 years	Raghavendra Constructions; Studio

Sr. No.	Name, Designation, Age, Qualification	Date of Appointment	Remuneration for fiscal 2011 (`)	Experience in the Company	Previous Company and Total Experience
	Qualification – Diploma in Civil Engineering (D.C.E)				Architectronic; 6 Years
5.	Mr. Rajendra S. Pillay **Head** – Project **Age** – 42 **Qualification –** Bachelor of Civil Engineering **(**B.E.)	April 1, 1996	2,39,580/-	15 years	Nil
6.	Mrs. Megha Bhattad **Head** – Company Secretary **Age –** 36 **Qualification** – Company Secretary (C.S.), Bachelor of Law (L.L.B)	December 1, 2010	48,800/-	3 months	Intime Spectrum Registry Limited.; R. Lohia & Co; Indozinc Limited; Metalman Industries Limited. 10 Years
7.	Mrs. Sangeeta Udavant **Head –** Tendering **Age** – 40 **Qualification –** Bachelor of Commerce (B.Com)	July 1, 2005	72,000/-	5 years	Padmshree Dr. Vitthalrao Vikhe Patil Bank, Nasik 3 years
8.	Mrs. Prajakta Deshpande **Head** – Legal **Age** – 37 **Qualification** – Bachelor of Law (L.L.B)	December 1, 2010	22,000/-	3 months	Self Employed

All the Key Managerial Personnel mentioned above are on the payroll of the Company as the permanent employees.

Shareholding of key managerial personnel

None of our key managerial personnel holds any equity shares of our Company as on the date of the Red Herring Prospectus.

Arrangements with major shareholders/customers/suppliers

None of our key managerial personnel have been selected or appointed pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

Bonus or profit sharing plan for the key managerial personnel

The Company does not have a performance linked bonus or a profit sharing plans for the key management personnel.

Interests of Key Management Personnel

The key management personnel of the Company do not have any interest in the Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. None of the key management personnel have been paid any consideration of any nature from the Company, other than their remuneration.

Mr. Sanjay M. Sonar (Head-Accounts) is one of the Director of Punamraj Construwell Private Limited, one of our subsidiary company.

Details of loans taken by / given to key managerial personnel

None of our key managerial personnel have taken / been given any loans by our Company as on the date of the Red Herring Prospectus.

Changes in our key managerial personnel during last three years

Sr. No.	Name and Designation of the Employee	Date of Appointment	Date of Resignation	Reason
1.	Mr. Vipul Dileep Lathi – CFO; Compliance Officer	December 1, 2010		Appointment
2.	Mrs. Megha Bhattad – Company Secretary	December 1, 2010		Appointment
3.	Mrs. Prajakta Deshpande – Head Legal	December 1, 2010		Appointment

Employees

Scheme of Employee Stock Option or Employee Stock Purchase

Our Company does not have any scheme of employee stock option or employee stock purchase as on the date of Red Herring Prospectus.

Payment or Benefit to Officers of the issuer (non-salary related)

No amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer.

OUR PROMOTERS

Our Company has been promoted by Mr. Prakash P. Laddha and Mrs. Aruna P. Laddha

Details of our Promoters are as under:

Mr. *Prakash P. Laddha*, 56 years, the Whole-time Director & Promoter of our Company.

Mr. Prakash P. Laddha is one of the subscribers to the Memorandum of Association of our Company. He is a resident Indian national. With over three decades of industrial and entrepreneurial experience he was instrumental in establishing the Company and has been associated as a Director since inception.

He started his career in the year 1974, heading the tendering department at M/s. Sahyadri Constructions which was engaged in the business of construction and development in Nasik.

In 1978, he forayed into his own business of crushing stones as a proprietor. Later, in the same year, he setup his own construction business. He formed Prakash Constrowell Private Limited in 1996. He is actively involved in the business development and corporate relationship functions of our Company.

Apart from business he is actively involved with several non-government organizations and various social upliftment programmes; viz. Vanbandhu Parishad and Dhamma Nasika Vipassana Centre. He was entrusted with the responsibility of the trusteeship of Dhamma Giri, Igatpuri, Maharashtra for the period 1998-2006.

Permanent Account No.	AAHPL3023D
Driving License No.	MH15 20080037253
Voter ID No.	HVY2675700
Passport No.	G3361773
Bank Account	Bank of Maharashtra, Janamangal, Tilak Road, Nasik. Account No. 20105101739
Address	"Kaushal", Sadhu-Waswani Road, Kulkarni Colony, Nasik - 422 002.

For further details, please see the chapter titled – *"Our Management"* on page 158 of the Red Herring Prospectus.

Mrs. Aruna P. Laddha, 46 years, is the Promoter of our Company.

Mrs. Aruna P. Laddha is one of the promoters of our Company. She is a resident Indian national and wife of Mr. Prakash P. Laddha. She does not have experience in our Company's current line of business. Our business would be managed by our Promoters with the assistance of our Management and experienced Key Managerial Personnel. Currently she is not associated with our Company in any managerial capacity.

She is the present treasurer of Maharashtra Pradesh Maheshwari Mahila Sanghathan. She is also acting as a trustee of Akhil Bharatiya Maheshwari Mahila Seva Trust.

Permanent Account No.	AAXPL0464E
Driving License No.	MH15 20090058254
Voter ID No.	HVY2675684
Passport No.	F6777132
Bank Account	Bank of Maharashtra, Janamangal, Tilak Road, Nasik Account No. 60016797545
Address	"Kaushal",Sadhu-Waswani Road, Kulkarni Colony, Nasik - 422 002.

Declaration and Confirmation

We confirm that the permanent account number, bank account number and passport number of our Promoters have been submitted to BSE & NSE at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Except as stated in the chapter titled *"Risk Factors"* beginning on page 14 of the Red Herring Prospectus, our Promoters have not been declared as wilful defaulters by the RBI or any other governmental authority. Further, there are no violations of securities laws committed by them in the past or are pending against them and none of our Promoters have been restricted from accessing the capital markets for any reasons, by SEBI or any other authority.

Relationship of Promoters with each other and with our Directors

Mrs. Aruna P. Laddha is the wife of Mr. Prakash P. Laddha
Mrs. Aruna P. Laddha is Sister-in-Law of Mr. Sharad R. Karwa

Common Pursuits

Except as described below the Promoters / any member of Promoter Group do not have interest in any venture that is involved in any activities similar to those conducted by our Company.

Sr. No.	Name of the Company	Activity
1.	Atal Buildcon Private Limited	To undertake contract works including, projects for government agencies, infrastructural facilities, real estate and commercial properties.
2.	Perfect Aggregates Private Limited	To carry on the business as manufacturers, traders and maintainers of crushed stones, stone metals, sand, stones, tiles, marbles, etc. used as household fittings.
3.	Q-Fab Cements Private Limited	To manufacture and trade in all types of cement and cementing materials and/or its by-products.
4.	Vastu-krupa Construction (India) Private Limited	To purchase, take on lease or in exchange or otherwise lands with or without buildings or structures.

Interest of Promoters

Our Promoters do not have any interest:

1) Other than in the promotion of our Company, save and except the rent received from our Company for using the following properties:

   - 6/7, Falcon Plaza, National Urdu High School Road, Near Sarda Circle, Nasik-422 001, Maharashtra, for use as registered office premises.

   - 'Kaushal', Sadhu-Waswani Road, Kulkarni Colony, Nasik - 422 002, Maharashtra, for use as Directors residence.

- The Company *vide* an agreement dated February 18, 2011 has entered into Leave and License agreement with Atal Buildcon Private Limited for using property situated at 3rd floor, "Pinnacle" Plot No. 152, Trimbak Naka, Nasik, Maharashtra.

The aforementioned Promoters of our Company are interested to the extent of their shareholding in our Company and the dividend they are entitled to receive, if declared, by the Company. Further, our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them.

Except as stated otherwise in the Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of the Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Further except as stated otherwise stated section titled "*Financial Statement"* under the heading "*Related Party Transaction"* on page 203 of the Red Herring Prospectus, the promoters do not have any other interest in the business of our Company.

Payment or Benefit to our Promoters

Further, save and except as stated otherwise in the chapters titled *"Business Overview"* and "*Our Management"* and the section titled "*Financial Statements"* beginning on page 114, 158 and 183, respectively, of the Red Herring Prospectus Herring Prospectus, and to the extent of Equity Shares held by them, our Promoters do not have any other interests in our Company as on the date of filing of the Red Herring Prospectus with SEBI.

There is no bonus or profit sharing plan for our Promoters.

Related Party Transactions

For details on our related party transactions please refer to the *"Annexure XVII"*on page 203 under the section titled "*Financial Statements"* beginning on page 183, respectively, of the Red Herring Prospectus.

Companies with which Promoters have disassociated in the last three years

None of the Promoters have disassociated with any company in the last three years.

Public issue by Group Company and Listed Group Companies

None of our group companies have made a public issue ever or are listed.

OUR PROMOTER GROUP AND GROUP ENTITIES

Our Promoter Group in terms of Regulation 2(1)(zb) of SEBI (ICDR) Regulations, 2009 includes the following persons:

A. Individuals related to our Promoters:

Relationship with Promoters	Promoters	
	Mr. Prakash P. Laddha	**Mrs. Aruna P. Laddha**
Father	Mr. Pusaram Ramchandra Laddha	Mr. Tarachand Lalchand Rathi
Mother	Mrs. Kausalya Pusaram Laddha	Mrs. Rukhmini Tarachand Rathi
Brother	-	-
Sister	-	Mrs. Meera Vijaykumar Bajaj Mrs. Sulochana Sukhlal Modani Mrs. Surekha Hanuman Boob Mrs. Mangla Suresh Bajaj Mrs. Susheela Ravindra Manudhane Mrs. Vaishali Sharad Karwa
Spouse	Mrs. Aruna P. Laddha	Mr. Prakash P. Laddha
Children	Mrs. Rachita Rakesh Mehta Ms. Prachi P. Laddha	Mrs. Rachita Rakesh Mehta Ms. Prachi P. Laddha
Father of spouse	Mr. Tarachand Lalchand Rathi	Mr. Pusaram Ramchandra Laddha
Mother of spouse	Mrs. Rukhmini Tarachand Rathi	Mrs. Kausalya Pusaram Laddha
Brother of spouse	-	-
Sister of spouse	Mrs. Meera Vijaykumar Bajaj Mrs. Sulochana Sukhlal Modani Mrs. Surekha Hanuman Boob Mrs. Mangla Suresh Bajaj Mrs. Susheela Ravindra Manudhane Mrs. Vaishali Sharad Karwa	-

B. Companies, partnership firms, proprietary concerns, trusts, HUF's related to our Promoters:

Relationship with Promoters	Promoters	
	Mr. Prakash P. Laddha	**Mrs. Aruna P. Laddha**
Any company in which 10% or more of the share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member	Q Fab Cements Pvt. Ltd. Perfect Aggregates Pvt. Ltd. Atal Buildcon Pvt. Ltd. Vastu-krupa Construction Pvt. Ltd.	Vastu-krupa Construction (India) Pvt. Ltd.
Any company in which a company (mentioned above) holds 10% of the total holding	Nil	Nil
Any HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10% of the total holding	Prakash P. Laddha (HUF)	Prakash P. Laddha (HUF)

OUR GROUP ENTITIES

As specified in the SEBI (ICDR) Regulations, 2009; the companies promoted by our Promoter, which comprise our Group Companies, are:

1. Atal Buildcon Pvt. Ltd.
2. Q Fab Cements Pvt. Ltd.
3. Perfect Aggregated Pvt. Ltd.
4. Vastu-krupa Construction (India) Pvt. Ltd.
5. Prakash Laddha (HUF).

Atal Buildcon Private Limited

Atal Buildcon Private Limited ("ABCPL") was incorporated on August 8, 2005 havingCorporate Identity NumberU45200MH2005PTC155186, issued by the Registrar of Companies, Mumbai. The registered office of ABCPL is situated at 6/7 Falcon Plaza, National Urdu High School, near Sarda Circle, Nasik, Maharashtra.

Main object of ABCPL

To carry on the business in all its respective branches whether in India or outside India of contractors, promoters, developers, masonry, etc. To work as government contractors, operate on Build Own Transfer (BOT) or Build Own Lease Transfer (BOLT) basis infrastructural projects, work for and on behalf of Government, Semi Government, NGO's. To erect, construct, built, own, operate, manage, lease, give on rent, sale, purchase, run shopping mall, commercial complex, multiplex theatre, wedding hall, amusement park, water park, lawns, shopping centres and any other activity concerning this and consequential and conductive for above.

Board of Directors

As on the date of the Red Herring Prospectus, the Board of Directors of ABCPL comprise of:

Sr. No.	Name	Designation
1.	Mr. Prakash P. Laddha	Director
2.	Mr. Vijaygopal P. Atal	Director

Interest of our Promoters

As on March 31, 2011 our Promoter through its HUF holds 50% of the issued and paid up capital of ABCPL. Except to the extent of their shareholding our Promoters have no other interest in ABCPL.

Shareholding Pattern:

The shareholding pattern as on March 31, 2011 is as under:

Sr. No.	Name of the shareholder	No. of Shares held	Shareholding (%)
1.	Suresh G. Sarda (HUF)	15,944	13.33
2.	Sharad R. Karwa (HUF)	15,944	13.33
3.	Vijaygopal P. Atal (HUF)	27,900	23.33
4.	Prakash P. Laddha (HUF)	59,797	50.00
	Total	**1,19,585**	**100.00**

Financial Performance

The audited financial results of ABCPL for the fiscal 2010, 2009 and 2008 are as under:

(` In lakhs)

Particulars	For the period ended March 31,		
	2010	2009	2008

Particulars	For the period ended March 31,		
	2010	2009	2008
Equity share capital	11.96	11.96	11.96
Share Application/ Share Premium	531.49	531.49	531.49
Net asset value or book value per share (`)	454.45	454.45	454.45

ABCPL is not a sick company as defined under the Sick Industrial Companies (Special Provisions) Act, 1985.

Q Fab Cement Private Limited

Q Fab Cement Private Limited ("QFCPL") was incorporated on May 25, 1995 havingCorporate Identity NumberU26940MH1995PTC088782, issued by the Registrar of Companies, Mumbai. The registered office of QFCPL is situated at 6/7 Falcon Plaza, near Sarda Circle, Old Bombay Agra Road, Nasik, Maharashtra.

Main object of QFCPL

To manufacture, produce, treat, process, prepare, refine, import, export, purchase, sell and to deal in all types and kinds of cement, ordinary white, coloured, port-land, pozzolana, alumina, blast furnace, slag, oilwell, rapid hardening, silica and all other varieties of cement, and cementing materials, lime an limestone, soft stone, sagole, clinker and/or by-products, pre-fabricated thereof, including fly ash bricks, and tiles, fly ash products, pre-fabricated blocks and building materials, paving material, garden ware, ceramic products and toilet requisites.

Board of Directors

As on the date of the Red Herring Prospectus, the Board of Directors of QFCPL comprise of:

Sr. No.	Name	Designation
1.	Mr. Prakash P. Laddha	Director
2.	Mr. Vijaygopal P. Atal	Director

Interest of our Promoters

As on March 31, 2011 our Promoter directly holds 51% of the issued and paid up capital of QFCPL. Except to the extent of their shareholding our Promoters have no other interest in QFCPL.

Shareholding Pattern:

The shareholding pattern as on March 31, 2011 is as under:

Sr. No.	Name of the shareholder	No. of Shares held	Shareholding (%)
1.	Mr. Prakash P. Laddha	5,100	51.00
2.	Mr. Vijaygopal P. Atal	4,900	49.00
	Total	**10,000**	**100.00**

Financial Performance

The audited financial results of QFCPL for the fiscal 2010, 2009 and 2008 are as under:

(` In lakhs)

Particulars	For the period ended March 31,		
	2010	2009	2008
Equity share capital	10.00	10.00	10.00
Reserves and surplus (excluding revaluation reserves)	(0.41)	(1.66)	(17.37)
Net asset value or book value per share (`)	9.59	8.34	-

QFCPL is not a sick company as defined under the Sick Industrial Companies (Special Provisions) Act, 1985.

Perfect Aggregates Private Limited

Perfect AggregatesPrivate Limited ("PAPL") was incorporated on October 16, 1998 havingCorporate Identity NumberU99999MH1999PTC118871, issued by the Registrar of Companies, Mumbai. The registered office of PAPL is situated 10, Prakash Apartments, Visemala, Canada Corner, Nasik - 422 005, Maharashtra.

Main object of PAPL

To carry on the business as manufacturers, designers, importers, exporters, buyers, sellers, dealers in all types of crushed stones, sand, tiles, marble, granite, concrete hume pipes, pre-cast materials, bricks, steels, cements, kaddapas, sanitary fittings, plumbing materials, building materials, sanitary and house hold fittings.

Board of Directors

As on the date of the Red Herring Prospectus, the Board of Directors of PAPL comprise of:

Sr. No.	Name	Designation
1.	Mr. Prakash P. Laddha	Director
2.	Mr. Hemant B. Laddha	Director

Interest of our Promoters

As on March 31, 2011 our Promoter directly holds 51% of the issued and paid up capital of PAPL. Except to the extent of their shareholding our Promoters have no other interest in PAPL.

Shareholding Pattern:

The shareholding pattern as on March 31, 2011 is as under:

Sr. No.	Name of the shareholder	No. of Shares held	Shareholding (%)
1.	Mr. Prakash P. Laddha	5,100	51.00
2.	Mr. Hemant B. Laddha	4,900	49.00
	Total	**10,000**	**100.00**

Financial Performance

The audited financial results of PAPL for the fiscal 2010, 2009 and 2008 are as under:

(` In lakhs)

Particulars	For the period ended March 31,		
	2010	2009	2008
Equity share capital	5.00	5.00	5.00
Reserves and surplus (excluding revaluation reserves)	9.12	7.88	6.90
Net asset value or book value per share (`)	28.24	25.76	23.80

PAPL is not a sick company as defined under the Sick Industrial Companies (Special Provisions) Act, 1985.

Vastu-krupa Construction (India) Private Limited

Vastu-krupa Construction (India)Private Limited ("VCPL") was incorporated on August 12, 1991 havingCorporate Identity NumberU45203MH1991PTC062909, issued by the Registrar of Companies, Mumbai. The registered office of VCPL is situated at 6/7 Falcon Plaza, National Urdu High School, near Sarda Circle, Nasik, Maharashtra.

Main object of VCPL

To purchase, take on lease or in exchange or otherwise acquire any lands with or without buildings or structures and any lands with or without buildings or structures and any estate or interest and any rights connected with any such land and/or buildings and structures and to develop, turn to account, lease, transfer in whole or in part or dispose of in any manner the same as may seem expedient. To carry on the business of builders, in all branches of constructions and to undertake, to execute and to carry out, either alone or jointly, with any other company or persons, civil, construction works such as earth works, embankments, roads, buildings, bridges, water supply, plumbing, etc

Board of Directors

As on the date of the Red Herring Prospectus, the Board of Directors of VCPL comprise of:

Sr. No.	Name	Designation
1.	Mr. Prakash P. Laddha	Director
2.	Mr. Hemant B. Laddha	Director
3.	Mr. Anil Kotsthani	Director

Interest of our Promoters

As on March 31, 2011 our Promoters directly and indirectly hold 100% of the issued and paid up capital of VCPL. Except to the extent of their shareholding our Promoters have no other interest in VCPL.

Shareholding Pattern:

The shareholding pattern as on March 31, 2011 is as under:

Sr. No.	Name of the shareholder	No. of Shares Held	Shareholding (%)
1.	Mr. Prakash P. Laddha (HUF)	5,100	51.00
2.	Mr. Aruna P. Laddha	4,900	49.00
	Total	**10,000**	**100.00**

Financial Performance

The audited financial results of VCPL for the fiscal 2010, 2009 and 2008 are as under:

(` In lakhs)

Particulars	For the period ended March 31,		
	2010	2009	2008
Equity share capital	1.30	1.30	1.30
Reserves and surplus (excluding revaluation reserves)	-	-	-
Net asset value or book value per share (`)	100	100	100

VCPL is not a sick company as defined under the Sick Industrial Companies (Special Provisions) Act, 1985.

Prakash P. Laddha (HUF)

Mr. Prakash P. Laddha is the Karta of Prakash P. Laddha (HUF)

Promoter and Promoter Group who are members of the HUF are:

(i) Mr. Prakash P. Laddha;
(ii) Mrs. Aruna P. Laddha;
(iii) Mrs. Rachita R. Mehta; and
(iv) Ms. Prachi P. Laddha.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by our Board and approved by theshareholders of our Company at their discretion and will depend on a number of factors, including butnot limited to the results of operations, earnings, capital requirements and surplus, overall financialcondition, applicable Indian legal restrictions and other factors considered relevant by the Board. TheBoard may also from time to time pay interim dividends. All dividend payments are made in cash tothe shareholders of our Company.

We have not declared any dividend on the Equity Shares since inception.

Our dividend policy in the past is not necessarily indicative of our dividend policy or dividend amountsin the future.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

AUDITORS REPORT

ON CONSOLIDATED FINANCIAL INFORMATION OF PRAKASH CONSTROWELL LIMITED

Auditor's Report as required by Part II of Schedule II to the Companies Act, 1956.

To,
The Board of Directors,
Prakash Constrowell Limited,
6/7, Falcon Plaza, National Urdu High
School Road, Near Sarda Circle, Nasik,
Maharashtra - 422 001.

Dear Sirs,

Re: Proposed Public Issue of Equity Shares of Prakash Constrowell Limited

We have examined and found correct the annexed consolidated restated summary statements of Prakash Constrowell Limited and its subsidiaries for the years ended March 31, 2011, 2010, 2009 & 2008 prepared by the Company and approved by its Board of Directors.

At the date of signing this report, we have not come across any material adjustment, which would affect the result shown by these accounts drawn up in accordance with the requirements of Part II of Schedule II to the Companies Act, 1956.

In accordance with the requirements of:

- Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009('the SEBI ICDR Regulations')and
- The Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India and terms of reference received from the Company in connection with the proposed public issue of Equity shares of the Company.
- The terms of reference given vide the Company's letter dated February 2, 2010 requesting us to carry out work in connection with the Issue as aforesaid, we report that:-

1. The consolidated summary statement of assets and liabilities, as restated, of the Company and its subsidiaries as at March 31, 2011, 2010, 2009 & 2008 are as set out in Annexure I to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts alongwith adjustments on account of audit qualifications as appearing in Annexure IV to this report.

2. The consolidated summary statement of profit and loss, as restated of the Company and its subsidiaries for the years ended March 31, 2011, 2010, 2009 & 2008 are as set out in Annexure II to this report. These profits have been arrived after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts alongwith adjustments on account of audit qualifications as appearing in Annexure IV to this report.

3. We have examined the consolidated summary statement of cash flow, as restated relating to the Company and its subsidiaries for the years ended March 31, 2011, 2010, 2009 & 2008 appearing in Annexure III to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts along with adjustments on account of audit qualifications as appearing in Annexure IV to this report.

These consolidated summary statements have been prepared by the Company and approved by its Board of Directors (these statements are herein collectively referred to as the "Consolidated Restated Summary Statements"). These statements have been extracted from the audited consolidated financial statement of the Company for the respective period/years.

Audit of the consolidated financial statements for the years ended March 31, 2011, 2010, 2009 & 2008have been conducted by Company's Statutory Auditor Bedmutha & Associates, Chartered Accountants. Further, consolidated financial statements for the year ended March 31, 2011 have been reaudited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the financial years ended March 31, 2010, 2009, 2008& 2007 of the Company and its subsidiaries is based on the audited financial statements which were audited by the Statutory Auditor of the respective company and whose Auditors' report has been relied upon by us for the said periods/years.

These audited consolidated financial statements includes the financial statements of subsidiaries which have not been audited by us and whose financial statements reflect the following information as considered in the consolidated financial statements:

(` In Lakhs)

Particulars	Year ended March 31			
	2011	2010	2009	2008
Number of Subsidiary	4	2	2	2
Total Assets (Net of current liabilities and provisions)	468.65	513.48	607.50	62.19
Revenue	2074.33	1958.71	1043.72	298.36

These financial statements have been audited by other auditors, whose reports have been furnished to us and, our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors.

The Consolidated Restated Summary Statements of the Company as included in this report as at for the year ended March 31, 2011 are based on the consolidated financial statements of the Company which were audited by us for the said period as set out in Annexure I, II and III of this report after making such adjustments and regrouping as in our opinion were appropriate.

Based on the above we are of the opinion that the Consolidated Restated Summary Statements have been made after incorporating:

i. Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

ii. Adjustments for the material amounts in the respective financial period/years to which they relate;

iii. Adjustments on account of audit qualifications as appearing in Annexure IV to this report;

iv. And there are no extra-ordinary items that need to be disclosed separately in the accounts.

We have examined the following financial information relating to the Company and its subsidiaries proposed to be included in the offer document as approved by you and annexed to this report.

1. Consolidated Statement of Sundry Debtors,as Restated enclosed as Annexure V to this report;
2. Consolidated Statement of Current Liabilities and Provisions,as Restated as appearing in Annexure VI to this report;
3. Consolidated Statement of Loans and Advances,as Restated as appearing in Annexure VII to this report;
4. Consolidated Statement of Secured Loans,as Restated as appearing in Annexure VIII to this report;
5. Consolidated Statement of Unsecured Loans,as Restated as appearing in Annexure IX to this report;
6. Consolidated Statement of Income from Operations,as Restated as appearing in Annexure X to

this report;

7. Consolidated Statement of Other Income,as Restated as appearing in Annexure XI to this report;
8. Consolidated Statement of Contingent Liabilities,as Restated as appearing in Annexure XII to this report;
9. Consolidated Statement of Accounting Ratios,as Restated as appearing in Annexure XIII to this Report;
10. Consolidated Statement of Capitalization,as Restated as at March 31,2011 as appearing in Annexure XIV to this report;
11. Consolidated Statement of Tax Shelters,as Restated as appearing in Annexure XV to this report;
12. Consolidated Statement of Investments,as Restated as appearing in Annexure XVI to this report;
13. Consolidated Statement of Related Parties Transactions,as Restated as appearing in Annexure XVII to this report;
14. Consolidated Statement of Segment Reporting,as Restated as appearing in Annexure XVIII to this report;
15. Consolidated Statement of Reserves and Surplus,as Restated as appearing in Annexure XIX to this report.

In our opinion the above financial information of the Company read with Significant Accounting Policies and Notes to Accounts alongwith adjustments on account of audit qualifications enclosed in Annexure IV to this report after making adjustments / restatements and regroupings as considered appropriate has been prepared in accordance with paragraph B(1) Part II of Schedule II of the Companies Act and the SEBI ICDR Regulations.

This report should not be in any way construed as a reissuance or redrafting of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred herein.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed Initial Public Offering of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Anil R. Bora & Co.
Chartered Accountants

Anil Bora
(Proprietor)
Membership No. 39651

Date: August 23, 2011
Place: Aurangabad
Firm Registration No: FRN 100464W

Annexure - I

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(` In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
A TANGIBLE ASSETS				
Fixed Assets				
Gross Block	446.34	332.77	303.21	247.57
Less Accumulated Depreciation	(193.76)	(138.86)	(105.95)	(72.65)
Total	**252.58**	**193.91**	**197.26**	**174.91**
B INTANGIBLE ASSETS				
Gross Block	596.51	596.51	596.51	596.51
Less Amortisation	(579.93)	(493.50)	(407.07)	(320.63)
Total	**16.58**	**103.01**	**189.44**	**275.88**
Total (A+B)	**269.16**	**296.92**	**386.70**	**450.79**
C INVESTMENTS	**0.01**	**0.01**	**60.51**	**60.51**
D DEFERRED TAX ASSET	**(21.20)**	-	-	-
E CURRENT ASSETS, LOANS & ADVANCES				
Inventories	2,445.86	1,749.70	620.12	152.83
Sundry Debtors	1,443.09	273.63	486.55	89.80
Cash & Bank Balances	387.28	349.69	405.77	358.85
Loans & Advances	2,842.15	2,842.48	3,156.71	886.76
Total	**7,118.38**	**5,215.51**	**4,669.15**	**1,488.24**
F LIABILITIES AND PROVISIONS				
Secured Loans	1,061.38	832.14	530.49	230.92
Unsecured Loans	12.55	188.61	15.31	15.64
Deferred Tax Liability	-	7.07	30.07	27.47
Current Liabilities	2,438.87	1,994.59	3,108.17	673.19
Provisions	425.09	351.29	74.42	46.30
Total	**3,937.90**	**3,373.71**	**3,758.46**	**993.52**
G MINORITY INTEREST	**211.50**	**67.62**	**32.64**	**4.13**
H NET WORTH (A + B + C + D + E - F - G)	**3,216.95**	**2,071.10**	**1,325.27**	**1,001.89**
Net Worth Represented by				
Equity Share Capital	822.00	41.10	41.10	41.10
Reserve & Surplus	2,394.96	2,030.00	1,284.17	960.79
I NET WORTH	**3,216.96**	**2,071.10**	**1,325.27**	**1,001.89**

Annexure – II

CONSOLIDATED STATEMENT OF PROFIT & LOSSES AS RESTATED

(` In Lakhs)

Particulars	As At			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Income				
Income From Operations	12,691.45	11,340.58	6,423.17	2,639.96
Other Income	214.13	249.63	139.05	38.70
Total Income	**12,905.57**	**11,590.20**	**6,562.22**	**2,678.65**
Expenditure				
Construction Expenses	10,528.47	10,122.28	5,753.07	2,073.71
Payment & Provision for Employess	99.40	44.03	45.22	50.76
Administrative & Other Expenses	392.05	155.60	156.15	76.55
Selling & Distribution Expenses	69.29	7.59	8.41	16.14
Financial Charges	158.26	105.67	41.31	26.75
Depreciation & Amortization	263.99	276.32	275.66	260.56
Total Expenditure	**11,511.46**	**10,711.50**	**6,279.82**	**2,504.48**
Profit Before Tax and extraordinary items	**1,394.12**	**878.70**	**282.40**	**174.17**
Add / (Less) : Extraordinary Items/Prior Period	(26.51)	-	-	-
Add / (Less) : Transfer from revaluation reserve	134.78	179.71	179.71	180.20
Profit Before Tax and after extraordinary items	**1,502.39**	**1,058.41**	**462.11**	**354.37**
Add/ (Less) : Taxation / Provision for Tax		-	-	-
Current Tax	(412.73)	(248.72)	(43.94)	(50.41)
Earlier Years	(36.42)	(25.32)	(8.35)	(0.20)
Deferred Tax Liability/ (Assets)	4.83	20.89	(41.11)	14.06
Profit After Tax and extraordinary items as per Audited Accounts (A)	**1,058.07**	**805.26**	**368.72**	**317.83**
Less: Minority Interest	60.92	34.99	28.50	3.15
Profit After Tax and minority interest as per Audited Accounts (B)	**997.15**	**770.27**	**340.21**	**314.67**
Impact of Change in Accounting Policies and Estimates	91.29	(33.13)	(38.78)	(25.06)
Excess/(Short) Provision for Taxation	1.49	7.11	(17.01)	8.15
Deferred Tax Impact	(25.24)	1.58	38.96	8.79
Misc. Exp. Written Off.	(0.09)	-	-	(0.24)
Total Adjustments net of tax impact	**67.45**	**(24.44)**	**(16.83)**	**(8.36)**
Net Profit as Restated (C)	1,064.59	745.84	323.38	306.31
Surplus/(Deficit) brought forward from previous years	1,885.11	1,139.27	815.89	509.58
Balance Carried forward as restated	**2,949.70**	**1,885.11**	**1,139.27**	**815.89**

Annexure – III

CONSOLIDATED STATEMENT OF CASH FLOWS FROM RESTATED FINANCIAL STATEMENTS

(` In Lakhs)

Particulars	Year Ended			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
D. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before taxation and extraordinary items as restated	1,508.91	997.41	377.82	337.70
Adjustment for :	-	-	-	-
Depreciation & Amortization	141.33	119.34	119.73	104.24
Finance Charges/Interest (Net)	158.26	105.67	41.31	26.75
Interest Received	-	-	-	-
Cash generated from operations before working capital changes	**1,808.51**	**1,222.42**	**538.85**	**468.68**
Increase/Decrease in trade receivables	(1,169.46)	212.92	(396.75)	20.95
Increase/ Decrease in loans & advances	0.33	314.23	(2,269.95)	(106.10)
Increase/Decrease in Inventories	(696.16)	(1,129.58)	(467.29)	23.12
Increase/Decrease in trade Payables & Others	444.28	(1,113.58)	2,434.98	(81.56)
Increase/Decrease in Provisions	73.80	276.87	28.12	(21.02)
Cash Generated from/ (used in) Operations	**461.30**	**(216.72)**	**(132.04)**	**304.08**
Direct tax Paid	(455.93)	274.57	51.84	52.50
Net Cash Flow before extraordinary items	5.37	(491.29)	(183.88)	251.58
Extraordinary Items	-	-	-	-
Net Cash from/ (used in) Operating Activities	**5.37**	**(491.29)**	**(183.88)**	**251.58**
E.CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets/Intangible Assets	(113.57)	(29.57)	(55.64)	(100.80)
Sale of investment in subsidiary	-	60.50	-	-
Purchase of Investment (NET)	-	-	-	(9.80)
Net Cash from/ (used in) Investing Activities	**(113.57)**	**30.93**	**(55.64)**	**(110.60)**
F. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Secured loans	229.24	301.66	299.57	154.14
Proceeds from Unsecured loans	(176.06)	173.30	(0.33)	
Repayment of Unsecured Loans		-	-	(106.46)
Finance Charges paid	(158.26)	(105.67)	(41.31)	(26.75)
Minority Interest (Net)	225.64	34.99	28.50	4.13
Net Cash from/ (used in) Financing Activities	**120.55**	**404.28**	**286.44**	**25.07**
NET INCREASE /(-) DECREASE IN CASH AND CASH EQUIVALENTS	**12.35**	**(56.08)**	**46.91**	**166.06**
OPENING BALANCE IN CASH AND CASH EQUIVALENTS	**349.69**	**405.77**	**358.85**	**192.80**
CLOSING BALANCE IN CASH AND CASH EQUIVALENTS	**387.28**	**349.69**	**405.77**	**358.85**
Components of Cash & Cash Equivalents		-	-	-
- Cash in hand	25.68	83.57	7.94	14.96
- Bank Balance with Schedule and Non Schedule	220.66	145.52	97.99	97.57
-Balance with bank on deposit account	140.94	120.61	299.83	246.32
CASH AND CASH EQUIVALENTS	387.28	349.70	405.77	358.85

Annexure – IV

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED RESTATED FINANCIAL STATEMENTS

A. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The consolidated financial statements are prepared in accordance with Accounting Standard - 21 on Consolidated financial statements as issued by ICAI. Reference in these notes to Company, Holding Company, Companies or Group shall mean to include PrakashConstrowell Limited or any of its subsidiaries, unless otherwise stated.

b) Principles of consolidation

The consolidated financial statements comprise of the financial statements of PrakashConstrowell Limited and its subsidiaries .The financial statements of the group Companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effects of inter Company transactions are eliminated on consolidation.

c) Goodwill / Capital Reserve on consolidation

Goodwill / Capital Reserve represents the difference between the Company's share in the net worth of subsidiaries, and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the Company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital Reserve on consolidation is adjusted against Goodwill. The Goodwill recorded in these consolidated financial statements has not been amortized, but instead evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may be impaired.

d) Fixed Assets

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation. Cost being cost of acquisition and includes expenditure directly attributable for commissioning of the assets.
All categories of assets costing less than ` 5,000 each and items of soft furnishing are fully depreciated in the year of purchase.

e) Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

f) Depreciation

Depreciation has been provided in the accounts from the date of its installations/use and on written down value method at the rates prescribed in schedule XIV to the Companies Act, 1956 except on "License to collect toll", which is being depreciated over the useful life of the asset on Straight Line Method. The depreciation in respect of fixed assets specifically used on a particular work is charged to the contract account of that particular work. The depreciation on other assets is charged to the Profit and Loss Account.

g) Investments

Investments are stated at cost.

h) Work in progress

Work in progress for construction contracts under execution as at balance sheet date are valued as per revenue recognition policy of the company after considering provision for losses if any. While the projects otherwise than these are valued at cost.

Work in progress is valued at Cost. Cost includes direct material, labour, other costs (including interest) and directly attributable overheads. Material purchased and lying at site is included in direct material cost.

i) Revenue Recognition

Revenue is recognized when it is realized or realizable or earned. Revenue is considered as realized or realizable or earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collect ability is reasonably assured.

1) The revenue from construction contracting activity is recognized by following percentage completion method of accounting as prescribed in Accounting Standard 7 issued by The Institute of Chartered Accountants of India. The stage of completion of a project is determined by the proportion of the contract cost incurred for work performed up to the Balance Sheet date bears to the estimated total contract cost. In the case where the contract revenue or the stage of completion cannot be determined reliably, the cost incurred on the contract is carried forward as Work In Progress.

2) While recognizing profits on contracts / projects substantially completed, due provision for incomplete work / pending bill etc. and probable cost of defect liability is made. Provision for defect liability is made at the amount equal to the amount of retention money (Security deposit retained) plus the bank guarantee offered for defect liability.

3) For the estate development activity (Buildership Activity) undertaken by the company, profits from the sale of constructed units is recognized on handing over of the possession to the buyers. Till then, all the expenses incurred on the development and constructions are accumulated and are shown as Work In Progress. Till such time the receipts from the buyers against the sale of units, under construction, are treated as advance, from the buyers and are shown as liability.

4) The development and construction cost incurred on infrastructure project is shown as Fixed Asset. Toll Collection is accounted for as income, as and when received.

5) Profit/loss from write-off of excess / short provision for defect liability is recognized in the year in which there is unconditional release of retained amount / bank guarantee by the contractee.

6) Scrap is accounted for only on realisation.

j) Retirement and other employee benefits

Liability for leave encashment and gratuity is provided for, on the basis of actuarial valuation done at the end of the financial year.

k) Segment reporting policies

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

l) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

m) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

n) Taxes on income

i. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Provision for Current tax is made after considering tax allowances and exemptions admissible under the provisions of Income Tax Act, 1961 and the Rules made there under.
ii. Deferred Tax for the year is recognized on timing differences; being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.
iii. Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is a reasonable/virtual certainty of their realization.

o) Borrowing Costs

Borrowing Costs that are attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit & Loss Account.

p) Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. There are reviewed at each Balance Sheet date and adjusted to reflect the current best management estimates. Contingent liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

q) Cost of Centering / Shuttering material and scaffolding material is treated as revenue expenditure of the year in which such expenditure is incurred.

B. NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS

1. Notes on Adjustments

Summarized below are the restatements made to the audited financial statements for the respective period/years and their impact on the profit / (loss) of the Company:

(`In Lakhs)

	Year Ended			
Particulars	**31.03.2011**	**31.03.2010**	**31.03.2009**	**31.03.2008**
Profit after tax as per audited financial statements	997.15	770.27	340.21	314.67
Add/(Less):				
Adjustment on account of changes in Accounting Policies & Estimates				
Adopting AS-15 for first time	8.70	(2.99)	(1.93)	(1.05)
Due to change of estimate for intangible	19.88	(22.26)	(22.26)	(22.08)

Particulars	Year Ended			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
asset				
Due to non-charging of depreciation on Shops	6.63	(1.53)	(1.61)	(1.70)
Due to deprecation wrongly charged on revaluation of intangible assets	134.78	179.71	179.71	179.71
Reversal of Revaluation Reserve on intangible assets	(134.78)	(179.71)	(179.71)	(179.72)
Tax Adjustments				
Provision for tax of earlier years	1.49	7.11	(17.01)	8.15
Provision for service tax of earlier years	21.16	(6.34)	(12.97)	(0.22)
Deferred tax impact	(25.24)	1.58	38.96	8.79
Misc. Exp. w/off	(0.09)	-	-	(0.24)
Adjustment on consolidation	34.92	-	-	-
Adjusted/Restated profit	**1,064.59**	**745.84**	**323.38**	**306.31**

Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years/period.

Adjustments having impact on Profit

a) Due to adoptions of Accounting Standard-15 “Employee Benefits”, during the financial year 2009-10 the expenses relating to previous accounting year has been apportioned as per Actuarial Valuation Report obtained by the company.

b) The intangible asset being “Arni Toll Bypass” was amortized on straight line basis. However, upon review of the useful economic life of the asset, the accounting estimates were changed to amortize the asset in respective years. Accordingly, the pattern of economic benefit has significantly changed and change in life of the assets has been accounted in the restated financial statements retrospectively.

c) Up to the year ended March 31, 2010, the tangible asset being shops were not charged to depreciation. However, from the subsequent year i.e. from financial year 2010-11, the accounting policy was changed and depreciated the asset on written down value basis. Accordingly, the restated financial statements for all the financial years/period have been appropriately adjusted.

d) In Financial Year 2005-06, the company had revalued its intangible asset i.e. “ArniBypass by`1063.46 Lakhs which is not been permitted by AS-26. However, from the subsequent year i. e from the financial year 2010-11, the accounting policy was changed and to amortize its assets on original cost. Accordingly, the same effects have been given in the restated financial statements of all the financial years/period.

Tax Adjustments

e) The Profit and Loss Account of some years include amount paid/provided for or refunded/ written back in respect of shortfall / excess income tax arising out of assessments, etc. which has now been adjusted in the respective years.

f) In view of the restatement of above expenses the Deferred Tax Assets / Deferred Tax Liability has been recalculated.

Adjustments having no impact on Profit

Material Regrouping

Appropriate adjustments have been made in the consolidated restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets

and liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009.

2. Auditor's Qualifications (As excerpted from Auditor's Reports)

The following qualifications have been reported in the Auditor's Report in the earlier years. Other than the cases specifically mentioned below, there have been no other qualifications:

Required adjustment in the restated financial statements:

Fiscal 2009

The Company has generally followed all Accounting Standards issued by Institute of Chartered Accountants of India except AS-15 i.e. Accounting for Retirement Benefits. No provision has been made in respect of liabilities towards gratuity, leave encashment.

Management Comments: The Company has adopted AS-15 for the first time in Fiscal 2010 and also the Company has obtained the amount of liabilities arising from the same including for last five years from an independent Actuary and same has been given effect in the Restated Financial Statements of the Company.

Fiscal 2008

No provision has been made in respect of liabilities towards gratuity, leave encashment.

Management Comments: The Company has adopted AS-15 for the first time in Fiscal 2010 and also the Company has obtained the amount of liabilities arising from the same including for last five years from an independent Actuary and same has been given effect in the Restated Financial Statements of the Company.

Fiscal 2007

The Company has not provided for the Deferred Tax liability, this is in contravention of AS-22 issued by the Institute of Chartered Accountants of India.

Management Comments: The necessary treatment of the same has been effected in the Restated Financial Statements of the Company.

Fiscal 2006

a. No provision has been made in respect of liabilities towards gratuity, leave encashment, Sales tax.

Management Comments: The Company has adopted AS-15 for the first time in Fiscal 2010 and also the Company has obtained the amount of liabilities arising from the same including for last five years from an independent Actuary and same has been given effect in the Restated Financial Statements of the Company.

b. The Company has not provided for the Deferred Tax liability, this is in contravention of AS-22 issued by the Institute of Chartered Accountantsof India.

Management Comments: The necessary treatment of the same has been effected in the Restated Financial Statements of the Company.

Required no adjustment in the restated financial statements:

Fiscal 2010

a. At Arni bypass though there is computerized system for ticketing there are failures due to system failure, load shading etc. In such circumstances we have verified toll collection figures from

reports but same should be supported with manual passes

Management Comments: The Company has started the process of getting the confirmations from the relevant Government Authorities on regular intervals.

b. The Company does maintain proper records of inventory. However, certain discrepancies were noticed on verification between physical inventories and the book records, but same were not material in relation to the operation of the Company.

Management Comments: The records are being maintained physically at various sites which are under constructions and also the Company is under process to computerized the same.

c. The Company does not have any formal internal audit system. The Company does not have any formal system of recording receipts, issues and consumption of materials and stores.

Management Comments: The Company has appointed an independent Internal Auditor KasatAchaliyaTotla& Associates, Chartered Accountants in Fiscal 2011.

Fiscal 2009

Liability, if any on account of subcontracting of work without the permission of contractees is not quantified & provided in accounts. In view of prevailing business practices, in the opinion of directors no such provision is required.

Management Comments: The subcontracting work is given out to our subsidiaries who manage such contracts more professionally and we possess better control over the contracts.

Fiscal 2008

a. Liability, if any on account of subcontracting of work without the permission of contractees is not quantified & provided in accounts. In view of prevailing business practices, in the opinion of directors no such provision is required.

Management Comments: The subcontracting work is given out to our subsidiaries who manage such contracts more professionally and we possess better control over the contracts.

b. In our opinion and according to information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. However, the same needs to be formalized.

Management Comments: The records are being maintained physically at various sites which are under constructions and also the Company is under process to computerized the same.

c. The fixed assets register has not been maintained by the company.

Management Comments: The fixed assets register has been prepared and updated up to March 31, 2011.

d. In our opinion and according to the information and explanations given to us, the internal control procedure with regard to the purchases of stores, raw materials including components, plant & machinery and other assets are not adequate & commensurate with the size & the nature of business of the company. The same needs to be strengthened.

Management Comments: The Company has appointed an independent Internal Auditor KasatAchaliyaTotla& Associates, Chartered Accountants in Fiscal 2011.

Fiscal 2007

a. No provision has been made in respect of liabilities towards gratuity, leave encashment.

Management Comments: The Company has adopted AS-15 for the first time in Fiscal 2010 and also the Company has obtained the amount of liabilities arising from the same including for last five years from an independent Actuary and same has been given effect in the Restated Financial Statements of the Company.

b. Payments are normally evidenced by vouchers and towards labour cost are evidenced by the register signed by recipient. However details like work done, measurement thereof, value of work done, payments passed, adequacy of payments etc. are absent on such payment vouchers/registers. Therefore it was not possible for us to link expenditure incurred with the possible stage of completion achieved.

Management Comments: The Company has appointed an independent Internal Auditor KasatAchaliyaTotla& Associates, Chartered Accountants in Fiscal 2011. Also the company has collected the certificate on completions of work from the Architects for the particular site and then the same has been recorded.

c. The fixed assets register has not been maintained by the company.

Management Comments: The fixed assets register has been prepared and updated up to March 31, 2011.

d. In our opinion and according to the information and explanations given to us, the internal control procedure with regard to the purchases of stores, raw materials including components, plant & machinery & other assets are not adequate & commensurate with the size & the nature of business of the company. The same needs to be strengthened.

Management Comments: The Company has appointed an independent Internal Auditor KasatAchaliyaTotla& Associates, Chartered Accountants in Fiscal 2011.

e. We are unable to express any opinion about reasonableness or otherwise in respect of transactions exceeding ` 5.00 lakhs with the parties specified in register under Section 301 of the Act, because no similar transactions have been entered with other parties or prevailing market prices are not made available.

Management Comments: We confirmed that such transactions have been carried out at Arm Length Price and are not prejudicial interest of the Company.

f. The company does not have any formal system of recording receipts, issues and consumption of materials and stores and allocating materials consumed to the related jobs. The material cost is directly charged to the respective job on purchase of it

Management Comments: In order to standardised formal system, we have appointed an independent Internal Auditor KasatAchaliyaTotla& Associates, Chartered Accountants in Fiscal 2011.

Fiscal 2006

a. Payments made to subcontractors are normally evidenced by vouchers and towards labour cost are evidenced by the register signed by recipient. However details like work done, measurement thereof, value of work done, payments passed, adequacy of payments etc. are absent on such payment vouchers/registers. Therefore it was not possible for us to link expenditure incurred with the possible stage of completion achieved.

Management Comments: The Company has appointed an independent Internal Auditor KasatAchaliyaTotla& Associates, Chartered Accountants in Fiscal 2011. Also the company has collected the certificate on completions of work from the Architects for the particular site and then the same has been recorded.

b. The fixed assets register has not been maintained by the company.

Management Comments: The fixed assets register has been prepared and updated up to March 31, 2011.

c. In our opinion and according to the information and explanations given to us, the internal control procedure with regard to the purchases of stores, raw materials including components, plant & machinery and other assets are not adequate & commensurate with the size & the nature of business of the company. The same needs to be strengthened.

Management Comments: The Company has appointed an independent Internal Auditor Kasat Achaliya Totla & Associates, Chartered Accountants in Fiscal 2011.

d. We are unable to express any opinion about reasonableness or otherwise in respect of transactions exceeding ` 5.00 lakhs with the parties specified in register under Section 301 of the Act, because no similar transactions have been entered with other parties or prevailing market prices are not made available.

Management Comments: We confirmed that such transactions have been carried out at Arm Length Price and are not prejudicial interest of the Company.

3. The subsidiaries considered in the preparation of these financial statements are as follows:

Name of the Subsidiary Company	Date of Incorporation	Country of Incorporation	Date from which the company became subsidiary of the Company	Stake in the subsidiary
Atal Buildwell Private Limited	March 7, 2007	India	April 10, 2010	51.00%
Ram Buildwel Private Limited	September 18, 2007	India	April 10, 2010	51.00%
Punamraj Construwell Private Limited	November 21, 2006	India	November 21, 2006	51.00%
Mohini Buildcon Private Limited	November 21, 2006	India	November 21, 2006	51.00%

4. Deferred Tax

The major components of deferred tax assets and liabilities are as under:

(`In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
In respect of Depreciation	(19.67)	12.49	32.01	48.46
In respect of Expenses	1.53	(5.42)	(1.94)	(1.28)
Net Deferred Tax liability / (Assets)	(18.14)	7.07	30.07	47.18

5. Disclosure in respect of Construction contracts

(`In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Contract Revenue recognised and Progress Billing	-	9,597.23	-	-
Contract Cost Incurred	-	9,755.43	-	-
Profit Recognised so far	-	445.88	-	-
Advances Received	-	309.71	1,252.25	-
Retention Money	-	643.89	439.31	-
Gross amount due from customers, disclosed as asset	-	-	-	-

6. Contingent Liabilities

(` In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
For guarantee given to Banks	691.00	634.17	837.97	275.45
For Tax liabilities	175.86	23.16	23.16	139.52
Total	**866.86**	**634.17**	**837.97**	**414.97**

7. Managerial Remuneration

(` In Lakhs)

Particulars	Year Ended			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Managerial Remuneration	47.60	29.83	27.49	18.80

8. Payments to Auditors

(` In Lakhs)

Particulars		Year Ended		
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Audit Fees	2.00	0.52	0.52	0.37
Tax Audit Fees	0.60	0.27	0.27	0.17
Certification and Other Services	0.65	0.97	0.87	0.54
Total	**3.25**	**1.76**	**1.66**	**2.74**

9. Current Assets/Current Liabilities

In the opinion of the management, the Current Assets, Loans & advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities. Certain balances of Sundry Creditors, Sundry Debtors and Advances are subject to confirmation.

10. An Intangible Asset i.e. "License to Collect Toll at Arni Bypass" has been revalued by the company as on 31.03.2006 on the basis of expected Toll Collection. The Net Amount written up is `1,063.46 lakhs.

11. There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 30 days as at March 31, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

12. Previous year's figures have been re-grouped and / or reclassified wherever necessary to made comparable with current year.

Annexure – V

CONSOLIDATED STATEMENT OF SUNDRY DEBTORS AS RESTATED

(` In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Receivable other than from promoters/promoters group/directors/related parties				
Less than Six Months		-	-	
- Considered Good	1,124.61	140.18	435.11	97.92
More than Six Months		-	-	
- Considered Good	713.11	133.45	51.44	46.68
Receivable from promoters/promoters group/directors/related parties				

Less than Six Months				
- Considered Good	-	-	-	-
More than Six Months				
- Considered Good	-	-	-	-
Total	**1,426.46**	**273.63**	**486.55**	**144.60**

Annexure – VI

CONSOLIDATED STATEMENT OF CURRENT LIABILITIES AND PROVISIONS AS RESTATED

(` In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Current Liabilities				
Advances from Contract	-	-	-	5.11
Advances from Customers	587.11	927.38	1,734.31	110.41
Sundry creditors for goods and services	2,217.29	1,006.65	1,373.86	557.67
Statutatory liabilities	45.73	60.56	-	-
Total (a)	**2,850.12**	**1,994.59**	**3,108.17**	**673.19**
Provisions				
Provision for Income Tax	407.16	321.36	45.22	49.02
Provisions for Gratuity	11.71	8.70	5.71	3.78
Others	-	0.07	8.67	(8.35)
Service Tax	6.22	21.16	14.82	1.84
Total	**425.09**	**351.29**	**74.42**	**46.30**

Annexure – VII

CONSOLIDATED STATEMENT OF LOANS & ADVANCES AS RESTATED

(` In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Loans & Advances other than Related Parties				
Advances recoverable in cash or in kind	138.20	128.07	1,571.14	145.82
Deposits	829.10	668.81	365.47	242.36
Duties and Taxes	837.79	95.84	46.26	9.61
Pre Paid Ins	0.26	1.95	0.51	0.11
Others	7.83	1,060.02	399.46	297.34
Loans & Advances to related parties				
Advance recoverable in cash or kind or for value to be received	1,027.47	887.79	718.87	191.53
PrashantSarda	-	-	55.00	-
Total	**2,840.65**	**2,842.48**	**3,156.71**	**886.76**

Annexure – VIII

CONSOLIDATED STATEMENT OF SECURED LOANS AS RESTATED

(` In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
TERM LOAN				
Bank of Maharastra	-	-	-	156.49
Axis Bank Ltd.	-	145.09	-	-
City Financial India Ltd	-	176.04	179.72	
WORKING CAPITAL/CC				-
Bank Of Maharashtra	-	-	304.44	-
Axis Bank Ltd.	1,033.85	500.58	-	-

VEHICLE LOAN				-
Bank Of Maharashtra	1.28	5.23	8.41	-
ICICI Bank Ltd.	-	0.68	24.31	53.23
Kotak Mahindra Ltd.	7.27	3.39	10.97	17.79
Vehicle Loan	-	1.12	2.65	3.41
State Bank of India	2.83	-	-	-
Total	**1,045.23**	**832.14**	**530.49**	**230.92**

Annexure –IX

CONSOLIDATED STATEMENT OF UNSECURED LOANS AS RESTATED

(` In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
1) From Promoters/Directors/Relatives	-	154.25	-	-
SharadKarwa		19.00	-	-
VijaygopalAtal	1.75			
PankajAtal	5.44	-	-	-
2) From Group Companies	-	-	-	15.64
3) Others	5.36	15.36	15.31	-
Total	**12.55**	**188.61**	**15.31**	**15.64**

Details of current unsecured loans as at March 31, 2011

(` In Lakhs)

Name of Parties	Outstanding balance (`)	Interest Rate p.a.	Repayment terms, if any
Ditisha EngineeringPvt. Ltd.	5.36	8%	On demand
VijaygopalAtal	1.75	-	On demand
PankajAtal	5.44	18%	On demand

Annexure – X

CONSOLIDATED STATEMENT OF OPERATING INCOME AS RESTATED

(` In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Contract Revenue	14,279.01	10,687.93	5,944.96	2,242.41
Material Sale		239.29	108.11	100.27
Other Operating Income	2.03	0.53	0.04	0.28
Toll Collection	392.08	412.82	370.06	297.00
Total	**14,673.12**	**11,340.58**	**6,423.17**	**2,639.96**

Annexure - XI

CONSOLIDATED STATEMENT OF OTHER INCOME AS RESTATED

(` In Lakhs)

Particulars	Nature of Income	As at			
		31.03.2011	31.03.2010	31.03.2009	31.03.2008
Interest Income	Recurring	12.53	26.25	54.98	15.72
Commission on Sub-Contract Charges	Non-recurring	-	-	2.09	-
Machinery Hire Charges	Recurring		23.70	28.59	-
Misc. Income	Recurring	195.13	125.04	47.70	8.24
Rental Income	Recurring	6.46	4.77	5.69	2.45
Amount Written Back	Non-Recurring	-	-	-	-

Works contract Tax excess provision written back	Non-Recurring	-	-		12.28
Excess provision written back	Non-recurring	-	69.86	-	-
Total		**214.13**	**249.63**	**139.05**	**38.70**
Net Profit before tax as restated		1,508.91	997.41	377.82	337.70
% of net profit before tax as restated		14.19	25.03	36.80	11.46

Annexure – XII

CONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES AS RESTATED

(` In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
For guarantee given to Banks	691.00	634.17	837.97	275.45
For Tax liabilities	175.86	23.16	23.16	139.52
Total	**866.86**	**634.17**	**837.97**	**414.97**

Annexure – XIII

CONSOLIDATED SUMMARY OF ACCOUNTING RATIOS BASED ON RESTATED FINANCIAL STATEMENTS

(` In Lakhs except per share data)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Net Profit after tax as restated	1,064.59	745.84	323.38	306.31
Weighted Average number of equity shares Outstanding during the yearconsidered for Basic/Diluted EPS	82.20	82.20	82.20	82.20
Net Worth	3,216.96	2,071.10	1,325.27	1,001.89
Earnings Per Share (EPS)				
Basic/ Diluted EPS (`)	12.95	9.07	3.93	3.73
Return on Net Worth (%)	**33.09**	**36.01**	**24.40**	**30.57**
Net Asset Value per Equity Share (`)	**39.14**	**25.20**	**16.12**	**12.19**

Notes:

The Ratio has been computed as below:

(a) Earning Per Share (`) = Net Profit after Tax as restated / Weighted Average number of Equity shares outstanding during the year

(b) Return On Net Worth (%) = Net Profit after Tax as restated / Net Worth as restated

(c) Net Asset Value per Share (`) = Net Worth as restated / Weighted Average number of Equity shares outstanding during the year

Annexure - XIV

CONSOLIDATED CAPITALISATION STATEMENT AS RESTATED AT MARCH 31, 2011

(` In Lakhs)

Particulars	Pre-Issue As at March 31, 2011	Post-Issue#
Borrowings		
Short Term Debt	12.55	[●]
Long Term Debt	1,061.38	[●]
Total Debt	**1,073.94**	[●]
Shareholders' Fund		
Share Capital		
- Equity	822.00	[●]
Reserves & Surplus	2,394.96	[●]
Total Shareholders' Funds	**3,216.96**	[●]
Debt / Equity Ratio	**0.33**	[●]

These figures cannot be calculated at this stage.

Annexure - XV

CONSOLIDATED STATEMENT OF TAX SHELTERS AS RESTATED

(` In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Profit before Tax but after extraordinary	1,389.37	873.12	273.64	173.48
Tax Rate	33.22%	33.99%	33.99%	33.99%
Adjustments :				
Permanent Differences :				
Loss on sale of Fixed Assets	-	-	-	-
Deduction u/s 80IA	332.82	354.84	284.69	200.54
Deduction u/s 80G	(0.50)	(0.18)	(0.14)	(1.38)
Total of Permanent Differences (b)	**332.32**	354.66	284.55	199.16
Timing Differences:				
Depreciation	(194.56)	(213.50)	(204.32)	(182.13)
Preliminary Exp.	-	-	-	-
Provision for gratuity	(195.76)	(8.71)	-	-
Disallowance u/s 43B	8.85	-	-	-
Excess provision of works contract	0.02	-	-	-
Total of Timing Differences (c)	**(381.45)**	(222.21)	(204.32)	(182.13)
Net Adjustments (d) (b + c)	**(49.13)**	132.45	80.23	17.03
Tax Saving				
Profit/(loss) as per Income Tax returns (e)= (a-d)	**1,438.50**	740.67	193.41	156.45
Brought forward losses adjusted (f)	-	-	-	-
Taxable Income/(loss) (e+f)	**1,438.50**	740.67	193.41	156.45
Taxable Income/(loss) as per MAT	-	-	-	-
Tax as per Income tax as returned	**409.30**	248.69	63.42	52.91
Interest as per Income Tax Act	10.44	0.07	1.01	-
TDS	(255.82)	(248.55)	(175.40)	(57.84)
Tax Paid	-	(10.60)	(15.75)	(0.09)
Total Tax as per return	**163.91**	(10.39)	(126.72)	(5.03)
Carry forward business loss	-	-	-	-
Carry forward depreciation loss	-	-	-	-
Total carry forward loss as per return of the year	**163.91**	(10.39)	(126.72)	(5.03)

Note: The above tax adjustments have been considered based on the information from income tax

computations of the Company filed with the tax authorities for the previous years 2006-07, 2007-08, 2008-09 & 2009-10. The information pertaining to the previous year 2010-11 is as per draft tax computation prepared, as return of income is to be filed by due date.

Annexure – XVI

CONSOLIDATED STATEMENT OF INVESTMENTS AS RESTATED

(` In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Trade Investments-Quoted				
Group Companies	-	-	-	-
Others	-	-	-	-
Total (a)	-	-	-	-
Trade Investments-Unquoted				
Group Companies	-	-	-	-
Vastukrupa Constructions (India) Pvt. Ltd.	-	-	10.50	10.50
AtalBuildcon Pvt. Ltd.(Share application money)	-	-	50.00	50.00
Others				
Rajlaxmi Co-operative Bank	0.01	0.01	0.01	0.01
Total (b)	**0.01**	**0.01**	**60.51**	**60.51**
Non-Trade Investments- Unquoted				
Group Companies	-	-	-	-
Others	-	-	-	-
Total (c)	**-**	**-**	**-**	**-**
Immovable Properties	-	-	-	-
Total (d)	-	-	-	-
Less: Provision for diminution in value of investments (e)	-	-	-	-
Total (a+b+c+d-e)	**0.01**	**0.01**	**60.51**	**60.51**
Market value of quoted investments	-	-	-	-

Annexure – XVII

CONSOLIDATED STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED
(As per Accounting Standard 18 - "Related Party Disclosures")

Nature of relationship	Name of the related party
Key Management Personnel	Prakash Pusaram Laddha
	T. G. Krishnan
	Vijaygopal Parshram Atal
	Suresh Girdharilal Sarda
	Sharad Ramnarayan Karwa
	Prashant Punamchand Sarda
	Gopal Satyanarayan Karwa
	Umesh Chandrashekhar Kasat
	Sanjay Muralidhar Sonar
Relatives of Key Management Personnel	Aruna Prakash Laddha
	Sujata Vijaygopal Atal
	Prema Suresh Sarda
	Mamta Prashant Sarda
Enterprises where key management personnel exercise significant influences	Q-Fab Cement Pvt. Ltd.
	Atal Buildcon Pvt. Ltd.
	Perfect Aggregates Pvt. Ltd.

Details of Related Party Transactions are as follows (` In Lakhs)

Nature of the Transaction	Name of Party	Nature of Relationship	Year Ended March 31			
			2011	2010	2009	2008
Investment in equity shares	Vastukrupa Construction (I) Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	-	-	10.50	10.50
Share Application Money	Atal Buildcon Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	-	-	50.00	50.00
Interest paid	Prakash Pusaram Laddha	Key Management Personnel	11.35	1.46	-	-
Interest received	Atal Buildcon Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	-	-	34.50	5.99
Loans & advances	Prashant Punamchand Sarda	Key Management Personnel	-	-	-	1.50
	Suresh Girdharilal Sarda	Key Management Personnel	-	-	-	1.84
	Sharad Ramnarayan Karwa	Key Management Personnel	-	-	-	17.11
	Atal Buildcon Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	1,020.47	807.24	631.90	156.58
	Prakash Pusaram Laddha (HUF)	Enterprises where key management personnel exercise significant influences	-	55.55	-	-
	Sharad Ramnarayan Karwa (HUF)	Enterprises where key management personnel exercise significant influences	-	-	14.50	14.50
	Atal Buildcon Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	-		68.00	-
	Sharad Ramnarayan Karwa	Key Management Personnel	-	19.00		-
	Prashant Punamchand Sarda	Key Management Personnel	-	-	4.47	-
	Prashant Punamchand Sarda	Key Management Personnel	-	6.00	4.47	-
Loans & advances Paid	Atal Buildcon Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	-	-	55.00	-
Advances	Prakash Pusaram Laddha	Key Management Personnel	(125.53)	(1.05)	37.30	(5.30)
	Vijaygopal Parshram Atal	Key Management Personnel	8.66	-	0.10	0.10
	Suresh Girdharilal Sarda	Key Management Personnel	(0.34)	8.56	8.42	5.78

Nature of the Transaction	Name of Party	Nature of Relationship	Year Ended March 31			
			2011	2010	2009	2008
	Sharad Ramnarayan Karwa	Key Management Personnel	-	-	15.38	0.27
	Prashant Punamchand Sarda	Key Management Personnel	0.48	16.67	16.62	13.62
Loans received	Prakash Pusaram Laddha	Key Management Personnel	-	154.25	-	-
Loans repaid	Prakash Pusaram Laddha	Key Management Personnel	154.25	-	-	-
Remuneration paid	Prakash Pusaram Laddha	Key Management Personnel	12.00	3.00	3.00	2.40
	T. G. Krishnan	Key Management Personnel	4.80	2.04	2.04	2.04
	Vijaygopal Parshram Atal	Key Management Personnel	2.25	-	1.00	2.40
	Suresh Girdharilal Sarda	Key Management Personnel	6.00	-	1.00	2.40
	Sharad Ramnarayan Karwa	Key Management Personnel	6.00	-	1.00	2.40
	Prashant Punamchand Sarda	Key Management Personnel	4.00	-	1.00	2.40
	Vijaygopal Parshram Atal	Key Management Personnel	1.75	-	-	-
	Suresh Girdharilal Sarda	Key Management Personnel	6.00	-	-	-
	Gopal Satyanarayan Karwa	Key Management Personnel	4.80	-	-	-
Rent paid	Mrs. Aruna Prakash Laddha	Relative of Key Management Personnel	6.00	6.00	6.00	6.00
	Prakash Pusaram Laddha	Key Management Personnel	3.00	1.80	2.88	2.88
	Vijaygopal Parshram Atal	Key Management Personnel	-	-	-	-
	Suresh Girdharilal Sarda	Key Management Personnel	2.40	-	-	0.96
	Prashant Punamchand Sarda	Key Management Personnel	-	-	-	0.72
	Sharad Ramnarayan Karwa	Key Management Personnnel	3.84	-	-	2.64
	Mrs. Sujata Vijaygopal Atal	Relative of Key Management Personnel	2.85	-	-	-
	Prashant Punamchand Sarda	Key Management Personnnel	-	1.20	-	-
Purchase Payable	Q-Fab Cement Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	9.54	(2.60)	1.02	2.41
	Perfect Aggregates Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	8.01	1.96	2.95	1.69
	Q-Fab Cement Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	-	1.96	2.95	1.69
	Prakash Pusaram Laddha	Key Management Personnel	-	77.73	15.00	15.00

Outstanding balance as at the end of the year

(` in Lakhs)

Nature of the Transaction	Name of Party	Nature of Relationship	As at 31 March			
			2011	2010	2009	2008
Receivables	Q-Fab Cement Pvt. Ltd.	Associate Company	-	2.60	-	-
	Q-Fab Cement Pvt. Ltd.	Associate Company	-	-	-	-
Payables	Q-Fab Cement Pvt. Ltd.	Associate Company	0.85	-	1.02	2.41

Annexure – XVIII

CONSOLIDATED STATEMENT SEGMENT REPORTING AS RESTATED

Primary - Business Segment **(` In Lakhs)**

Particulars	Year Ended														
	31.03.2011				31.03.2010				31.03.2009				31.03.2008		
	BOT	Works Contracts	Others	Total	BOT	Works Contracts	Others	Total	BOT	Works Contracts	Others	Total	BOT	Works Contracts	Total
Segment revenue															
Allocated & Unallocated income															
Domestic	392	10,483	1,814	12,689	413	9,641	153	10,207	370	5,743	108	6,221	297	2,348	2,645
Total	**392**	**10,483**	**1,814**	**12,689**	**413**	**9,641**	**153**	**10,207**	**370**	**5,743**	**108**	**6,221**	**297**	**2,348**	**2,645**
Segment results															
Operating Profit/Loss before tax	277	1,361	135	1,774	329	866	-	1,195	288	185	-	474	209	199	408
Reallocated Head office Expenses	-	145	-	145	-	136	-	136	-	59	-	59	-	36	36
Interest	-	158	-	158	-	-	-	105	-	41	-	41	-	27	27
Profit Before Tax	**277**	**1,058**	**135**	**1,471**	**329**	**730**	**-**	**954**	**288**	**85**	**-**	**373**	**209**	**136**	**345**
Provision for Taxation	-	413	-	413	-	206	-	206	-	-	-	83	-	-	34
Profit After Tax	**277**	**645**	**135**	**1,058**	**329**	**525**	**-**	**749**	**288**	**85**	**-**	**291**	**209**	**136**	**311**
Segment Assets															
Fixed Assets	24	217	28	269	475	119	-	594	720	123	-	843	964	1,091	2,055
Current Assets	5	6,369	724	7,097	7	3,909	-	3,916	5	3,813	-	3,817	5	1,362	1,368
Unallocated Asset	-	-	-	-	-	-	-	999	-	-	-	62	-	-	62
Total Assets	**29**	**6,586**	**752**	**7,366**	**482**	**4,028**	**-**	**5,509**	**724**	**3,936**	**-**	**4,722**	**970**	**2,453**	**3,485**
Segment Liability															
Current Liability	24	2,524	316	2,864	63	1,395	-	1,457	57	2,267	-	2,324	49	275	324
Unallocated Liability	-	-	-	1,285	-	-	-	3,100	-	-	-	543	-	-	243
Total Liability	**24**	**2,524**	**316**	**4,149**	**63**	**1,395**	**-**	**4,557**	**57**	**2,267**	**-**	**2,867**	**49**	**275**	**567**

Annexure – XIX

CONSOLIDATED STATEMENT OF RESERVES AND SURPLUS AS RESTATED

(` In Lakhs)

Particulars	As at			
	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Securities Premium Account				
Opening Balance	144.90	144.90	144.90	144.90
Add:-	-	-	-	-
Less:- Issue of Bonus	144.90	-	-	-
Closing Balance	-	144.90	144.90	144.90
Capital Reserves on consolidation	**81.76**	-	-	-
Profit and Loss Account				
Opening Balance	1,885.11	1,139.27	815.89	509.58
Add:- During the year	1,064.59	745.84	323.38	306.31
Less:- Issue of Bonus	636.00	-	-	-
Closing Balance	2313.70	1885.11	1139.27	815.89
Total	**2,395.46**	**2,030.01**	**1,284.17**	**960.79**

AUDITORS REPORT

ON STANDALONE FINANCIAL INFORMATION OF PRAKASH CONSTROWELL LIMITED

Auditor's Report as required by Part II of Schedule II to the Companies Act, 1956.

To,
The Board of Directors,
Prakash Constrowell Limited,
6/7, Falcon Plaza, National Urdu High
School Road, Near Sarda Circle, Nasik,
Maharashtra - 422 001.

Dear Sirs,

Re: Proposed Public Issue of Equity Shares of Prakash Constrowell Limited

We have examined and found correct the annexed standalone restated summary statements of Prakash Constrowell Limited for the years ended March 31, 2011, 2010, 2009, 2008 & 2007 prepared by the Company and approved by its Board of Directors.

At the date of signing this report, we have not come across any material adjustment, which would affect the result shown by these accounts drawn up in accordance with the requirements of Part II of Schedule II to the Companies Act, 1956.

In accordance with the requirements of:

- Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009('the SEBI ICDR Regulations')and
- The Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India and terms of reference received from the Company in connection with the proposed public issue of Equity shares of the Company.
- The terms of reference given vide the Company's letter dated February 2, 2010 requesting us to carry out work in connection with the Issue as aforesaid, we report that:-

1. The standalone summary statement of assets and liabilities, as restated, of the Company as at March 31, 2011, 2010, 2009, 2008 & 2007 are as set out in Annexure I to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts along with adjustments on account of audit qualifications as appearing in Annexure IV to this report.

2. The standalone summary statement of profit and loss, as restated of the Company for the years ended March 31, 2011, 2010, 2009, 2008 & 2007 are as set out in Annexure II to this report. These profits have been arrived after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts along with adjustments on account of audit qualifications as appearing in Annexure IV to this report.

3. We have examined the standalone summary statement of cash flow, as restated relating to the Company for the years ended March 31, 2011, 2010, 2009, 2008 & 2007 appearing in Annexure III to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts along with adjustments on account of audit qualifications as appearing in Annexure IV to this report.

These statements have been prepared by the Company and approved by its Board of Directors (these statements are herein collectively referred to as the "Standalone Restated Summary

Statements". These statements have been extracted from the audited financials statement of the Company for the respective period / years.

Audit of the financial statements for the years ended March 31, 2011, 2010, 2009, 2008 & 2007 have been conducted by Company's Statutory Auditor Bedmutha & Associates, Chartered Accountants. Further, financial statements for the year ended March 31, 2011 have been reaudited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the financial years ended March 31, 2010, 2009, 2008 & 2007 is based on the audited financial statements of the Company which were audited by the Statutory Auditor Bedmutha & Associates, Chartered Accountants and whose Auditors' report has been relied upon by us for the said periods.

The Standalone Restated Summary Statements of the Company as included in this report as at for the years ended March 31, 2010, 2009, 2008 & 2007 are based on the audited financial statements of the Company which were audited by the Statutory Auditor of the Company and whose Auditors' report has been relied upon by us for the said years and for the year ended March 31, 2011 examined by us as set out in Annexure I, II and III of this report are after making such adjustments and regrouping as in our opinion were appropriate.

Based on the above and also as per the reliance placed by us on the audited financial statements of the Company which were audited by Statutory Auditor and the Auditors' report for the years ended March 31, 2010, 2009, 2008 & 2007, we are of the opinion that the Standalone Restated Summary Statements have been made after incorporating:

i. Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

ii. Adjustments for the material amounts in the respective financial period/years to which they relate;

iii. Adjustments on account of audit qualifications as appearing in Annexure IV to this report;

iv. And there are no extra-ordinary items that need to be disclosed separately in the accounts.

We have examined the following financial information relating to the Company proposed to be included in the offer document as approved by you and annexed to this report. In respect of the financial years ended March 31, 2010, 2009, 2008 & 2007, this information has been included based on the audited financial statements of the Company which were audited by the Statutory Auditor of the Company and whose Auditors' report has been relied upon by us for the said years:

1. Standalone Statement of Sundry Debtors, as Restated enclosed as Annexure V to this report;
2. Standalone Statement of Current Liabilities and Provisions, as Restated as appearing in Annexure VI to this report;
3. Standalone Statement of Loans and Advances, as Restated as appearing in Annexure VII to this report;
4. Standalone Statement of Secured Loans, as Restated as appearing in Annexure VIII to this report;
5. Standalone Statement of Unsecured Loans, as Restated as appearing in Annexure IX to this report;
6. Standalone Statement of Income from Operations, as Restated as appearing in Annexure X to this report;
7. Standalone Statement of Other Income, as Restated as appearing in Annexure XI to this report;
8. Standalone Statement of Contingent Liabilities, as Restated as appearing in Annexure XII to this report;
9. Standalone Statement of Accounting Ratios, as Restated as appearing in Annexure XIII to this report;
10. Standalone Statement of Capitalization, as Restated as at March 31,2011 as appearing in Annexure XIV to this report;
11. Standalone Statement of Tax Shelters, as Restated as appearing in Annexure XV to this report;
12. Standalone Statement of Investments, as Restated as appearing in Annexure XVI to this report;
13. Standalone Statement of Related Parties Transactions, as Restated as appearing in Annexure XVII to this report;
14. Standalone Statement of Segment Reporting, as Restated as appearing in Annexure XVIII to this

report;

15. Standalone Statement of Reserves and Surplus, as Restated as appearing in Annexure XIX to this report.

In our opinion the above financial information of the Company read with Significant Accounting Policies and Notes to Accounts alongwith adjustments on account of audit qualifications enclosed in Annexure IV to this report and also as per the reliance place by us on the audited financial statements of the Company which were audited by the Statutory Auditor and the Auditors' report for the years ended March 31, 2010, 2009, 2008 & 2007, after making adjustments / restatements and regroupings as considered appropriate has been prepared in accordance with paragraph B(1) Part II of Schedule II of the Companies Act and the SEBI ICDR Regulations.

This report should not be in any way construed as a reissuance or redrafting of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred herein.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed Initial Public Offering of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Anil R. Bora & Co.
Chartered Accountants

Anil Bora
(Proprietor)
Membership No. 39651

Date: August 23, 2011
Place: Aurangabad
Firm Registration No: FRN 100464W

Annexure - I

STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(` In Lakhs)

Particulars	As at				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
A TANGIBLE ASSETS					
Fixed Assets					
Gross Block	309.72	284.46	264.08	240.65	146.77
Less : Accumulated Depreciation	(153.86)	(128.17)	(101.48)	(72.11)	(54.94)
Net Block	155.86	156.28	162.60	168.53	91.83
Capital Work In Progress					
Total (a)	**155.86**	**156.28**	**162.60**	**168.53**	**91.83**
B INTANGIBLE ASSETS					
Gross Block	596.51	596.51	596.51	596.51	596.51
Less : Amortisation	(579.93)	(493.50)	(407.07)	(320.63)	(234.20)
Net Block	16.58	103.01	189.44	275.88	362.31
Net Block					
Total (b)	16.58	103.01	189.44	275.88	362.31
Total (a+b)	**172.44**	**259.30**	**352.05**	**444.41**	**454.14**
C INVESTMENTS	**7.60**	**1.03**	**61.53**	**61.53**	**50.71**
D DEFERRED TAX ASSET	29.69	-	-		
E CURRENT ASSETS, LOANS & ADVANCES					
Work in Progress (Inventories)	2,445.86	1,540.27	426.94	152.55	175.95
Sundry Debtors	1,514.60	273.63	459.20	127.53	110.75
Cash & Bank Balances	370.47	322.41	384.17	338.43	189.59
Loans & Advances	2,662.90	2,741.65	2,999.37	883.53	780.66
Other Current Assets	-	-	-	-	-
Total	**6,993.82**	**4,877.96**	**4,269.68**	**1,502.04**	**1,256.95**
F LIABILITIES AND PROVISIONS					
Secured Loans	1,033.85	831.03	527.84	227.51	183.56
Unsecured Loans	5.36	169.61	15.31	15.64	15.31
Deferred Tax Liability		6.61	30.04	27.37	50.35
Current Liabilities	2,738.41	1,811.87	2,771.84	693.27	754.75
Provisions	372.93	316.86	45.70	45.28	62.26
Total	**4,150.55**	**3,135.98**	**3,390.72**	**1,009.07**	**1,066.23**
G NET WORTH (A + B + C+D+E-F)	**3,053.01**	**2,002.30**	**1,292.54**	**998.92**	**695.57**
Net Worth Represented by					
Equity Share Capital	822.00	41.10	41.10	41.10	41.10
Preference Share Capital					
Reserve & Surplus	2,231.01	1,961.20	1,251.44	957.82	654.48
Less : Miscellaneous Expenses Not W/off		-	-	-	-
H NET WORTH	**3,053.01**	**2,002.30**	**1,292.54**	**998.92**	**695.58**

Annexure – II

STANDALONE STATEMENT OF PROFIT & LOSSES AS RESTATED

(` In Lakhs)

Particulars	Year Ended				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Income					
Income from Operations	12,689.04	11,319.90	6,221.08	2,745.51	3,656.05
Income from Trading Activity	-	-	-	-	-
Other Income	123.87	178.17	138.56	38.52	16.49
Total Income	**12,812.91**	**11,498.07**	**6,359.65**	**2,784.03**	**3,672.55**
Expenditure					
Construction Expenses	10,773.16	10,199.10	5,775.17	2,233.84	3,132.43
Payment & Provision for Employees	63.31	34.74	23.32	33.46	34.95
Administrative & Other Expenses	342.59	107.85	43.84	48.61	32.24
Directors remuneration & allowances	19.05	8.18	7.54	16.20	16.75
Financial Charges	156.93	104.62	40.93	26.64	34.77
Depreciation & Amortization	246.91	269.04	271.63	260.02	253.80
Total Expenditure	**11,601.96**	**10,723.53**	**6,162.42**	**2,618.77**	**3,504.92**
Profit Before Tax and extraordinary items	**1,210.95**	**774.53**	**197.22**	**165.27**	**167.62**
Add / (Less): Extraordinary Items	(26.51)	-	-		-
Add / (Less) : Transfer from Revaluation Reserve	134.78	179.71	179.71	180.20	179.71
Profit Before Tax and after extraordinary items	**1,319.22**	**954.24**	**376.93**	**345.47**	**347.33**
Add / (Less) : Taxation / Provision for					
Current Tax	(355.00)	(218.10)	(33.50)	(48.00)	(58.10)
Earlier Years	-	(8.33)	(8.35)	(0.20)	(0.33)
Deferred Tax Liability / (Assets)	4.46	20.89	(41.11)	14.06	-
Profit After Tax and extraordinary items as per Audited Accounts (A)	**968.68**	**748.70**	**293.98**	**311.33**	**288.89**
Impact of Change in Accounting Policies and Estimates	56.37	(33.13)	(38.78)	(25.06)	(26.04)
Earlier Year Taxation Provisions	-	(8.33)	(0.02)	8.15	(0.14)
Deferred Tax Impact	25.74	2.00	38.89	8.89	(9.13)
Total Adjustments net of tax	**82.11**	**(39.45)**	**0.10**	**(8.02)**	**(35.30)**
Net Profit as restated	**1,050.79**	**709.25**	**294.07**	**303.31**	**253.59**
Surplus/(Deficit) brought forward from previous years	1,816.21	1,106.96	812.89	509.58	255.98
Balance available for appropriations, as restated	**2,867.00**	**1,816.21**	**1,106.96**	**812.89**	**509.58**
Appropriation		-	-	-	-
Transfer to Bonus	636.00	-	-	-	-
Balance Carried forward as restated	**2,231.00**	**1,816.21**	**1,106.96**	**812.89**	**509.58**

Annexure – III

STANDALONE STATEMENT OF CASH FLOWS FROM RESTATED FINANCIAL STATEMENTS

(` In Lakhs)

Particulars	Year Ended				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
D. CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before taxation and extraordinary items	1,375.59	912.78	338.14	328.55	321.15
Adjustment for:					
Depreciation & Amortization	112.12	113.13	115.80	103.61	98.14
Finance Charges/Interest (Net)	156.93	104.62	40.93	26.64	34.77
Interest Received.	(12.52)	(26.25)	(54.98)	(15.72)	(7.64)
Cash generated from operations before working capital changes	**1,632.12**	**1,104.28**	**439.88**	**443.07**	**446.42**
Increase/Decrease in trade receivables	(1,240.97)	185.57	(331.67)	(16.78)	57.24
Increase/ Decrease in loans & advances	78.75	257.72	(2,115.84)	(102.86)	(155.81)
Increase/Decrease in inventories	(905.59)	(1,113.33)	(274.39)	23.40	687.73
Increase/Decrease in trade payables & Others	982.61	(688.81)	2,078.99	(78.46)	(584.63)
Cash Generated from Operations	**546.92**	**(254.56)**	**(203.02)**	**268.36**	**450.96**
Direct tax Paid	361.20	226.43	41.85	48.20	58.43
Net Cash Flow before extraordinary items	**185.72**	**(480.99)**	**(244.87)**	**220.17**	**392.52**
Extraordinary Items	-	-	-	-	-
Net Cash from/ (used in) Operating Activities	**185.72**	**(480.99)**	**(244.87)**	**220.17**	**392.52**
E. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets	(25.27)	(20.38)	(23.43)	(93.88)	(51.31)
Investment in subsidiary	(6.57)	-	-	-	-
Sale of investment in subsidiary	-	60.50	-	(10.82)	(50.70)
Proceeds from sale of fixed assets	-	-	-	-	-
Profit / (Loss) of fixed asset	-	-	-	-	-
Interest Received	12.52	26.25	54.98	15.72	7.64
Net Cash from/ (used in) Investing Activities	**(19.32)**	**66.37**	**31.55**	**(88.98)**	**(94.36)**
F. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Secured loans	202.83	303.19	300.33	43.95	-
Proceeds from Unsecured loans	(164.25)	154.30	(0.33)	-	-
Repayment of Secured Loans	-	-	-	-	(172.31)
Repayment of Unsecured Loans	-	-	-	0.33	0.15
Finance Charges paid	(156.93)	(104.62)	(40.93)	(26.64)	(34.77)
Dividend Paid		-			
Net Cash from/ (used in)Financial Activities	**(118.36)**	**352.87**	**259.06**	**17.64**	**(206.93)**
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	**48.05**	**(61.74)**	**45.74**	**148.83**	**91.23**
OPENING BALANCE IN CASH AND CASH EQUIVALENTS	**322.42**	**384.17**	**338.42**	**189.59**	**98.36**
CLOSING BALANCE IN CASH AND CASH EQUIVALENTS	**370.47**	**322.42**	**384.17**	**338.42**	**189.59**

Particulars	Year Ended				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Components of Cash & Cash Equivalents					
- Cash in hand	16.96	65.47	5.80	6.80	11.95
- Bank Balance with Schedule and Non Schedule Banks	212.57	136.34	78.54	85.31	61.89
-Balance with bank on deposit account	140.94	120.62	299.83	246.32	115.76
CASH AND CASH EQUIVALENTS	370.47	322.43	384.17	338.43	189.60

Annexure - IV

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE RESTATED FINANCIAL STATEMENTS

A. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The Accounts are prepared as a going concern under historical cost convention and on accrual basis as required u/s 209(3)(b) of the Companies Act, 1956. Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles and Accounting standards referred to in section 211 (3C) of the Companies Act , 1956 and issued by the Institute of Chartered Accountants of India.

b) Fixed Assets

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation. Cost being cost of acquisition and includes expenditure directly attributable for commissioning of the assets. All categories of assets costing less than ` 5,000 each and items of soft furnishing are fully depreciated in the year of purchase.

c) Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

d) Depreciation

Depreciation has been provided in the accounts from the date of its installations/use and on written down value method at the rates prescribed in schedule XIV to the Companies Act, 1956 except on “License to collect toll”, which is being depreciated over the useful life of the asset on Straight Line Method. The depreciation in respect of fixed assets specifically used on a particular work is charged to the contract account of that particular work. The depreciation on other assets is charged to the Profit and Loss Account.

e) Investments

Investments are stated at cost.

f) Work in progress

Work in progress for construction contracts under execution as at balance sheet date are valued as per revenue recognition policy of the company after considering provision for losses if any. While the projects otherwise than these are valued at cost.

Work in progress is valued at Cost. Cost includes direct material, labour, other costs (including interest) and directly attributable overheads. Material purchased and lying at site is included in direct material cost.

g) Revenue Recognition

Revenue is recognized when it is realized or realizable or earned. Revenue is considered as realized or realizable or earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collect ability is reasonably assured.

1) The revenue from construction contracting activity is recognized by following percentage completion method of accounting as prescribed in Accounting Standard 7 issued by The Institute of Chartered Accountants of India. The stage of completion of a project is determined by the proportion of the contract cost incurred for work performed up to the Balance Sheet date bears to the estimated total contract cost. In the case where the contract revenue or the stage of completion cannot be determined reliably, the cost incurred on the contract is carried forward as Work In Progress.

2) While recognizing profits on contracts / projects substantially completed, due provision for incomplete work / pending bill etc. and probable cost of defect liability is made. Provision for defect liability is made at the amount equal to the amount of retention money (Security deposit retained) plus the bank guarantee offered for defect liability.

3) For the estate development activity (Buildership Activity) undertaken by the company, profits from the sale of constructed units is recognized on handing over of the possession to the buyers. Till then, all the expenses incurred on the development and constructions are accumulated and are shown as Work In Progress. Till such time the receipts from the buyers against the sale of units, under construction, are treated as advance, from the buyers and are shown as liability.

4) The development and construction cost incurred on infrastructure project is shown as Fixed Asset. Toll Collection is accounted for as income, as and when received.

5) Profit/loss from write-off of excess / short provision for defect liability is recognized in the year in which there is unconditional release of retained amount / bank guarantee by the contractee.

6) Scrap is accounted for only on realisation.

h) Retirement and other employee benefits

Liability for leave encashment and gratuity is provided for, on the basis of actuarial valuation done at the end of the financial year.

i) Segment reporting policies

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

j) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

k) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

l) Taxes on income

i. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Provision for Current tax is made after considering tax allowances and exemptions

admissible under the provisions of Income Tax Act, 1961 and the Rules made there under.

ii. Deferred Tax for the year is recognized on timing differences; being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

iii. Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is a reasonable/virtual certainty of their realization.

m) Borrowing Costs

Borrowing Costs that are attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit & Loss Account.

n) Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. There are reviewed at each Balance Sheet date and adjusted to reflect the current best management estimates. Contingent liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

o) Cost of Centering / Shuttering material and scaffolding material is treated as revenue expenditure of the year in which such expenditure is incurred.

B. NOTES TO STANDALONE RESTATED FINANCIAL STATEMENTS

1. Notes on Adjustments

Summarized below are the restatements made to the audited financial statements for the respective period/years and their impact on the profit / (loss) of the Company:

(` In Lakhs)

Particulars	Year Ended				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Profit After Tax as per audited financial statements	**968.68**	**748.70**	**293.98**	**311.33**	**288.89**
Add/(Less):					
Adjustment on account of changes in Accounting Policies & Estimates					
Adopting AS-15 for first time	8.70	(2.99)	(1.93)	(1.05)	(1.27)
Due to change of estimate for intangible asset	19.88	(22.26)	(22.26)	(22.08)	(22.26)
Due to non-charging of depreciation on Shops	6.63	(1.53)	(1.61)	(1.70)	(1.79)
Due to deprecation wrongly charged on revaluation of intangible assets	134.78	179.71	179.71	179.71	179.71
Reversal of Revaluation Reserve on intangible assets	(134.78)	(179.71)	(179.71)	(179.72)	(179.71)
Tax Adjustments					
Provision for tax of earlier years	-	(8.33)	(0.02)	8.15	(0.14)
Provision for service tax of earlier years	21.16	(6.34)	(12.97)	(0.22)	(0.72)
Deferred tax impact	25.74	2.00	38.89	8.89	(9.13)

Particulars	Year Ended				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Adjusted/Restated profit	**1,050.79**	**709.25**	**294.07**	**303.31**	**253.59**

Reconciliation of Profit and Loss account as at April 1, 2006

(` In Lakhs)

Particulars	Amount
Profit and Loss account balance as at April 1, 2006, as per audited financial statements	235.89
Increase/(Decrease) in accumulated profits as at April 1, 2006 as a result of following adjustments:	
- Depreciation &Amortization of Intangible Assets	66.63
- Tax Adjustment	(46.53)
Profit and Loss account balance as at April1, 2006, as restated	**255.98**

Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years/period.

Adjustments having impact on Profit

a) Due to adoptions of Accounting Standard-15 "Employee Benefits", during the financial year 2009-10 the expenses relating to previous accounting year has been apportioned as per Actuarial Valuation Report obtained by the company.

b) The intangible asset being "Arni Toll Bypass" was amortized on straight line basis. However, upon review of the useful economic life of the asset, the accounting estimate was changed to amortize the asset in respective years. Accordingly, the pattern of economic benefit has significantly changed and change in life of the assets has been accounted in the restated financial statements retrospectively.

c) Up to the year ended March 31, 2010, the tangible asset being shops were not charged to depreciation. However, from the subsequent year i.e. from financial year 2010-11, the accounting policy was changed and depreciated the asset on written down value basis. Accordingly, the restated financial statements for all the financial years/period have been appropriately adjusted.

d) In Financial Year 2005-06, the company had revalued its intangible asset i.e. "Arni Bypass" by ` 1063.46 Lakhs which is not been permitted by AS-26. However, from the subsequent year the accounting policy was changed and to amortize its assets on original cost. Accordingly, the same effects have been given in the restated financial statements of all the financial years/period.

Tax Adjustments

e) The Profit and Loss Account of some years include amount paid/provided for or refunded/ written back in respect of shortfall / excess income tax arising out of assessments, etc. which has now been adjusted in the respective years.

f) In view of the restatement of above expenses the Deferred Tax Assets / Deferred Tax Liability has been recalculated.

Adjustments having no impact on Profit

Material Regrouping

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for all

the years and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009.

2. Auditor's Qualifications (As excerpted from Auditor's Reports)

The following qualifications have been reported in the Auditor's Report in the earlier years. Other than the cases specifically mentioned below, there have been no other qualifications:

Required adjustment in the restated financial statements:

Fiscal 2009

The Company has generally followed all Accounting Standards issued by Institute of Chartered Accountants of India except AS-15 i.e. Accounting for Retirement Benefits. No provision has been made in respect of liabilities towards gratuity, leave encashment.

Management Comments: The Company has adopted AS-15 for the first time in Fiscal 2010 and also the Company has obtained the amount of liabilities arising from the same including for last five years from an independent Actuary and same has been given effect in the Restated Financial Statements of the Company.

Fiscal 2008

No provision has been made in respect of liabilities towards gratuity, leave encashment.

Management Comments: The Company has adopted AS-15 for the first time in Fiscal 2010 and also the Company has obtained the amount of liabilities arising from the same including for last five years from an independent Actuary and same has been given effect in the Restated Financial Statements of the Company.

Fiscal 2007

The Company has not provided for the Deferred Tax liability, this is in contravention of AS-22 issued by the Institute of Chartered Accountants of India.

Management Comments: The necessary treatment of the same has been effected in the Restated Financial Statements of the Company.

Fiscal 2006

a. No provision has been made in respect of liabilities towards gratuity, leave encashment, Sales tax.

Management Comments: The Company has adopted AS-15 for the first time in Fiscal 2010 and also the Company has obtained the amount of liabilities arising from the same including for last five years from an independent Actuary and same has been given effect in the Restated Financial Statements of the Company.

b. The Company has not provided for the Deferred Tax liability, this is in contravention of AS-22 issued by the Institute of Chartered Accountants of India.

Management Comments: The necessary treatment of the same has been effected in the Restated Financial Statements of the Company.

Required no adjustment in the restated financial statements:

Fiscal 2010

a. At Arni bypass though there is computerized system for ticketing there are failures due to system failure, load shading etc. In such circumstances we have verified toll collection figures from reports but same should be supported with manual passes

Management Comments: The Company has started the process of getting the confirmations from the relevant Government Authorities on regular intervals.

b. The Company does maintain proper records of inventory. However, certain discrepancies were noticed on verification between physical inventories and the book records, but same were not material in relation to the operation of the Company.

Management Comments: The records are being maintained physically at various sites which are under constructions and also the Company is under process to computerized the same.

c. The Company does not have any formal internal audit system. The Company does not have any formal system of recording receipts, issues and consumption of materials and stores.

Management Comments: The Company has appointed an independent Internal Auditor KasatAchaliyaTotla& Associates, Chartered Accountants in Fiscal 2011.

Fiscal 2009

Liability, if any on account of subcontracting of work without the permission of contractees is not quantified & provided in accounts. In view of prevailing business practices, in the opinion of directors no such provision is required.

Management Comments: The subcontracting work is given out to our subsidiaries who manage such contracts more professionally and we possess better control over the contracts.

Fiscal 2008

a. Liability, if any on account of subcontracting of work without the permission of contractees is not quantified & provided in accounts. In view of prevailing business practices, in the opinion of directors no such provision is required.

Management Comments: The subcontracting work is given out to our subsidiaries who manage such contracts more professionally and we possess better control over the contracts.

b. In our opinion and according to information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. However, the same needs to be formalized.

Management Comments: The records are being maintained physically at various sites which are under constructions and also the Company is under process to computerized the same.

c. The fixed assets register has not been maintained by the company.

Management Comments: The fixed assets register has been prepared and updated up to March 31, 2011.

d. In our opinion and according to the information and explanations given to us, the internal control procedure with regard to the purchases of stores, raw materials including components, plant &machinery and other assets are not adequate & commensurate with the size & the nature of business of the company. The same needs to be strengthened.

Management Comments: The Company has appointed an independent Internal Auditor KasatAchaliyaTotla& Associates, Chartered Accountants in Fiscal 2011.

Fiscal 2007

a. No provision has been made in respect of liabilities towards gratuity, leave encashment.

Management Comments: The Company has adopted AS-15 for the first time in Fiscal 2010 and also the Company has obtained the amount of liabilities arising from the same including for last five years from an independent Actuary and same has been given effect in the Restated Financial Statements of the Company.

b. Payments are normally evidenced by vouchers and towards labour cost are evidenced by the register signed by recipient. However details like work done, measurement thereof, value of work done, payments passed, adequacy of payments etc. are absent on such payment vouchers/registers. Therefore it was not possible for us to link expenditure incurred with the possible stage of completion achieved.

Management Comments: The Company has appointed an independent Internal Auditor KasatAchaliyaTotla& Associates, Chartered Accountants in Fiscal 2011. Also the company has collected the certificate on completions of work from the Architects for the particular site and then the same has been recorded.

c. The fixed assets register has not been maintained by the company.

Management Comments: The fixed assets register has been prepared and updated up to March 31, 2011.

d. In our opinion and according to the information and explanations given to us, the internal control procedure with regard to the purchases of stores, raw materials including components, plant & machinery & other assets are not adequate & commensurate with the size & the nature of business of the company. The same needs to be strengthened.

Management Comments: The Company has appointed an independent Internal Auditor KasatAchaliyaTotla& Associates, Chartered Accountants in Fiscal 2010.

e. We are unable to express any opinion about reasonableness or otherwise in respect of transactions exceeding ` 5.00 lakhs with the parties specified in register under Section 301 of the Act, because no similar transactions have been entered with other parties or prevailing market prices are not made available.

Management Comments: We confirmed that such transactions have been carried out at Arm Length Price and are not prejudicial interest of the Company.

f. The company does not have any formal system of recording receipts, issues and consumption of materials and stores and allocating materials consumed to the related jobs. The material cost is directly charged to the respective job on purchase of it.

Management Comments: In order to standardised formal system, we have appointed an independent Internal Auditor KasatAchaliyaTotla& Associates, Chartered Accountants in Fiscal 2011.

Fiscal 2006

a. Payments made to subcontractors are normally evidenced by vouchers and towards labour cost are evidenced by the register signed by recipient. However details like work done, measurement thereof, value of work done, payments passed, adequacy of payments etc. are absent on such payment vouchers/registers. Therefore it was not possible for us to link expenditure incurred with the possible stage of completion achieved.

Management Comments: The Company has appointed an independent Internal Auditor KasatAchaliyaTotla& Associates, Chartered Accountants in Fiscal 2011. Also the company has collected the certificate on completions of work from the Architects for the particular site and then the same has been recorded.

b. The fixed assets register has not been maintained by the company.

Management Comments: The fixed assets register has been prepared and updated up to March 31, 2011.

c. In our opinion and according to the information and explanations given to us, the internal control procedure with regard to the purchases of stores, raw materials including components, plant & machinery and other assets are not adequate & commensurate with the size & the nature of business of the company. The same needs to be strengthened.

Management Comments: The Company has appointed an independent Internal Auditor KasatAchaliyaTotla& Associates, Chartered Accountants in Fiscal 2011.

d. We are unable to express any opinion about reasonableness or otherwise in respect of transactions exceeding ` 5.00 lakhs with the parties specified in register under Section 301 of the Act, because no similar transactions have been entered with other parties or prevailing market prices are not made available.

Management Comments: We confirmed that such transactions have been carried out at Arm Length Price and are not prejudicial interest of the Company.

3. Deferred Tax

The major components of deferred tax assets and liabilities are as under:

(` In Lakhs)

Particulars	As at				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
In respect of Depreciation	(19.89)	12.53	31.98	48.36	56.92
In respect of Expenses	(3.89)	(3.97)	(0.66)	(0.36)	(0.43)
Net Deferred Tax liability / (Assets)	**(23.78)**	**8.55**	**31.32**	**48.01**	**56.49**

4. Disclosure in respect of construction contracts

(` In Lakhs)

Particulars	As at				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Contract Revenue recognized and Progress Billing	17183.26	9,597.23	-	-	-
Contract Cost Incurred	17761.40	9,755.43	-	-	-
Profit recognized so far	1600.22	445.88	-	-	-
Advances Received	234.07	309.71	1,252.25	-	-
Retention Money	823.25	643.89	439.31	-	-
Gross amount due from customers, disclosed as asset	2178.36	604.07	-	-	-

5. Contingent Liabilities

(` In Lakhs)

Particulars	As at				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
For letters of credit opened for which goods were in transit.	-	-	-	-	-
For guarantee given to banks	691.00	634.17	837.97	275.45	252.57
For corporate guarantee given	-	-	-	-	-
For tax liabilities	175.86	-	-	139.52	139.52
Total	**866.86**	**634.17**	**837.97**	**414.97**	**392.09**

6. Managerial Remuneration

(` In Lakhs)

Particulars	Year Ended				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Managerial Remuneration	19.05	8.18	7.54	16.20	16.75

7. Payments to Auditors

(` In Lakhs)

Particulars	Year Ended				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Audit Fees	1.50	0.15	0.15	0.10	0.10
Tax Audit Fees	0.25	0.10	0.10	0.05	0.05
Certification and Other Services	0.25	0.56	0.51	0.50	0.50
Total	**2.00**	**0.81**	**0.76**	**0.65**	**0.65**

8. Current Assets/Current Liabilities

In the opinion of the management, the Current Assets, Loans & advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the accounts. Adequate provisions have been made for all known losses and liabilities. Certain balances of Sundry Creditors, Sundry Debtors and Advances are subject to confirmation.

9. An Intangible Asset i.e. "License to Collect Toll at Arni Bypass" has been revalued by the company as on 31.03.2006 on the basis of expected Toll Collection. The Net Amount written up is ` 1,063.46 lakhs.

10. There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 30 days as at March 31, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

11. Previous year's figures have been re-grouped and / or reclassified wherever necessary to made comparable with current year.

Annexure – V

STANDALONE STATEMENT OF SUNDRY DEBTORS AS RESTATED

(` In Lakhs)

Particulars	As at				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Receivable other than from promoters /promoters group /directors/related parties					
Less than Six Months					
- Considered Good	1,124.61	140.18	407.76	80.85	7.69
More than Six Months					
- Considered Good	389.99	133.45	51.44	46.68	103.06
Receivable from promoters /promoters group /directors/related parties					
Less than Six Months					
- Considered Good	-	-	-	-	-
More than Six Months					
- Considered Good	-	-	-	-	-
Total	**1,514.60**	**273.63**	**459.20**	**127.53**	**110.75**

Annexure – VI

STANDALONE STATEMENT OF CURRENT LIABILITIES AND PROVISIONS AS RESTATED

(` In Lakhs)

Particulars	As at				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Current Liabilities					
Advances from Contract	-	-	-	5.11	4.31
Advances from Customers	587.11	917.27	1,599.28	110.41	115.67
Bank Accounts Credit Balance	-	-	-	-	-
Sundry Creditors for Goods and Services	2,105.57	834.04	1,172.56	577.75	634.78
Statutory liabilities	45.73	60.56	-	-	-
Total (a)	**2,738.41**	**1,811.87**	**2,771.84**	**693.27**	**754.75**
Provisions					
Provision for Income Tax& FBT	355.00	287.00	33.50	48.00	58.10
Prov. for Gratuity	11.71	8.70	5.71	3.78	2.73
Prov. for Earlier Year Income tax	-	-	(8.33)	(8.35)	(0.20)
Prov. for Service tax	6.22	21.16	14.82	1.84	1.62
Total (b)	**372.93**	**316.86**	**45.70**	**45.28**	**62.26**
Total (a+b)	**3,111.33**	**2,128.73**	**2,817.54**	**738.55**	**817.01**

Annexure – VII

STANDALONE STATEMENT OF LOANS & ADVANCES AS RESTATED

(` In Lakhs)

Particulars	As at				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Loans & Advances to others					
Advance recoverable in cash or kind or for value to be received	107.92	87.02	1,437.60	137.81	411.27
Deposits	824.68	711.51	447.20	256.85	207.16
Other Receivable	702.84	1,055.33	395.69	297.34	134.10
Loans & Advances to related parties					
Advance recoverable in cash or kind or for value to be received	1,027.47	887.79	718.87	191.53	28.13
Total	**2,662.90**	**2,741.65**	**2,999.37**	**883.53**	**780.66**

Annexure – VIII

STANDALONE STATEMENT OF SECURED LOANS AS RESTATED

(` In Lakhs)

Particulars	As at				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
TERM LOAN					
Bank of Maharastra	-	-	-	-	76.41
Axis Bank Ltd.	-	145.09	-	-	-
City Financial India Ltd	-	176.04	179.72		-
WORKING CAPITAL/ CC					
Bank of Maharashtra	-	-	304.44	156.49	106.78
Axis Bank Ltd.	1,033.85	500.58	-	-	-
VEHICLE LOAN					
Bank of Maharashtra	-	5.23	8.41	-	-
ICICI Bank Ltd.	-	0.68	24.31	53.23	0.37
Kotak Mahindra Bank	-	3.39	10.97	17.79	-
Total	**1,033.85**	**831.03**	**527.84**	**227.51**	**183.56**

Annexure – IX

STANDALONE STATEMENT OF UNSECURED LOANS AS RESTATED

(` In Lakhs)

Particulars	As at				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
1) From Promoters/Directors/Relatives	-	154.25	-	-	-
2) From Group Companies	-	-	-	-	-
3) Others	5.36	15.36	15.31	15.64	15.31
Total	**5.36**	**169.61**	**15.31**	**15.64**	**15.31**

Details of current unsecured loans as at March 31, 2011

(`In Lakhs)

Name of Parties	Outstanding balance (`)	Interest Rate p.a.	Repayment terms, if any
Ditisha Engineering Pvt. Ltd.	5.36	8%	On demand

Annexure – X

STANDALONE STATEMENT OF OPERATING INCOME AS RESTATED

(` In Lakhs)

Particulars	Year Ended				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Contract Revenue	12,296.96	10,753.90	5,742.91	2,348.24	2,925.24
Material Sale	-	153.17	108.11	100.27	471.19
Toll Collection	392.08	412.82	370.06	297.00	259.63
Total	**12,689.04**	**11,319.90**	**6,221.08**	**2,745.51**	**3,656.05**

Annexure – XI

STANDALONE STATEMENT OF OTHER INCOME AS RESTATED

(` In Lakhs)

Particulars	Nature of Income	Year Ended				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Interest Income	Recurring	12.52	26.25	54.98	15.72	7.64
Comission on Sub-Contract Charges	Non-recurring	-	-	2.09	-	1.01
Scrap Sales	Non-recurring	-	-	-	-	2.21
Machinery Hire Charges	Recurring	-	23.70	28.59	8.24	-
Misc. Income	Recurring	104.90	123.45	47.21	2.28	5.62
Rental Income	Recurring	6.46	4.77	5.69	-	-
Amount Written Back	Non-Recurring	-	-	-	12.28	-
Interest Income from Tax Refund	Non-Recurring	-	-	-	-	-
Total		**123.87**	**178.17**	**138.56**	**38.52**	**16.49**
Net Profit before tax as restated		1,375.59	912.78	338.14	328.55	321.15
% of net Profit before tax as restated		9.00	19.52	40.98	11.73	5.13

Annexure – XII

STANDALONE STATEMENT OF CONTINGENT LIABILITIES AS RESTATED

(` In Lakhs)

Particulars	As at				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
For letters of credit opened for which goods were in transit.	-	-	-	-	-
For guarantee given to banks	691.00	634.17	837.97	275.45	252.57
For corporate guarantee given	-	-	-	-	-
For tax liabilities	175.86	-	-	139.52	139.52
Total	**866.86**	**634.17**	**837.97**	**414.97**	**392.09**

Annexure – XIII

STANDALONE SUMMARY OF ACCOUNTING RATIOS BASED ON RESTATED FINANCIAL STATEMENTS

(` In Lakhs except per share data)

Particulars	As at				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Net Profit after tax as restated	1,050.79	709.25	294.07	303.31	253.59
Weighted Average number of equity shares Outstanding during the year considered for Basic/ Diluted EPS	82.20	82.20	82.20	82.20	82.20
Net Worth	3,053.01	2,002.30	1,292.54	998.92	695.58
Earnings Per Share (EPS)					
Basic/ Diluted EPS (`)	12.78	8.63	3.58	3.69	3.09
Return on Net Worth (%)	34.42	35.42	22.75	30.36	36.46
Net Asset Value per Equity Share (`)	37.14	24.36	15.72	12.15	8.46

Notes:

The Ratio has been computed as below:

(a) Earning Per Share (`) = Net Profit after Tax as restated / Weighted Average number of Equity shares outstanding during the year

(b) Return On Net Worth (%) = Net Profit after Tax as restated / Net Worth as restated

(c) Net Asset Value per Share (`) = Net Worth as restated / Weighted Average number of Equity shares outstanding during the year

Annexure – XIV

STANDALONE CAPITALISATION STATEMENT AS RESTATED AT MARCH 31, 2011

(` In Lakhs)

Particulars	Pre-Issue	Post-Issue#
	As at March 31, 2011	
Borrowings		
Short Term Debt	5.36	[●]
Long Term Debt	1,033.85	[●]
Total Debt	**1,039.21**	**[●]**
Shareholders' Fund		
Share Capital		
- Equity	822.00	[●]
Reserves & Surplus	2,231.01	[●]
Total Shareholders' Funds	**3,053.01**	**[●]**
Debt/ Equity Ratio	**0.34**	**[●]**

These figures cannot be calculated at this stage.

Annexure – XV

STANDALONE STATEMENT OF TAX SHELTERS AS RESTATED

(` In Lakhs)

Particulars	As At				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Profit Before Tax but after extraordinary items (a)	1,204.26	774.53	197.22	165.27	167.62
Tax Rate	33.22%	33.99%	33.99%	33.99%	33.66%
Adjustments:					
Permanent Differences :					
Loss on sale of fixed assets	-	-	-	-	-
Deduction u/s 80IA	332.82	354.84	284.69	200.54	160.58
Deduction u/s 80G	(0.50)	(0.18)	(0.14)	(1.39)	(0.38)
Total of Permanent Differences (b)	332.32	354.66	284.55	199.16	160.20
Timing Differences:					
Depreciation	(195.76)	(213.03)	(204.09)	(181.59)	(163.30)
Preliminary Exps.		-	-	-	-
Provision for gratuity	-	(8.71)	-	-	-
Disallowance u/s 43B	8.85	-	-	-	-
Excess provision of works contract	-	-	-	-	-
Total of Timing Differences (c)	(186.91)	(221.74)	(204.09)	(181.59)	(163.30)
Net Adjustments (d) (b + c)	145.41	132.92	80.46	17.57	(3.10)
Tax Saving					
Profit/(loss) as per Income Tax returns (e)= (a-d)	1,058.85	641.61	116.76	147.70	170.72
Brought forward losses adjusted (f)		-			
Taxable Income/(loss) (e+f)	1,058.85	641.61	116.76	147.70	170.72
Taxable Income/(loss) as per MAT	-	-	-	-	-
Tax as per Income tax as returned	351.72	218.08	39.69	50.20	57.46
Interest u/s 234	8.43	-	-	-	0.14
TDS/Advance tax	(214.93)	(222.03)	(166.32)	(54.95)	(56.28)
Total Tax as per return	145.23	(3.95)	(126.64)	(4.74)	1.32
Carry forward business loss	-	-	-	-	-
Carry forward depreciation loss	-	-	-	-	-

Particulars	As At				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Total carry forward loss as per return of the year	145.23	(3.95)	(126.64)	(4.74)	1.32

Note: The above tax adjustments have been considered based on the information from income tax computations of the Company filed with the tax authorities for the previous years 2006-07, 2007-08, 2008-09 & 2009-10. The information pertaining to the previous year 2010-11 is as per draft tax computation prepared, as return of income is to be filed by due date.

Annexure – XVI

STANDALONE STATEMENT OF INVESTMENTS AS RESTATED

(` In Lakhs)

Particulars	As At				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Trade Investments-Quoted					
Group Companies	-	-	-	-	-
Others	-	-	-	-	-
Total (a)	**-**	**-**	**-**	**-**	**-**
Trade Investments-Unquoted					
Group Companies					
Vastu-krupa Constructions (India) Pvt. Ltd.	-	-	10.50	10.50	0.70
Mohini Buildcon Pvt. Ltd.	0.51	0.51	0.51	0.51	-
Punamraj Construwell Pvt. Ltd. (including share application money)	3.51	0.51	0.51	0.51	-
Atal Buildcon Pvt. Ltd.(Share application money)	-	-	50.00	50.00	50.00
Atal Buildwell Pvt. Ltd.	3.06				
Ram Build well Pvt Ltd.	0.51	-	-	-	-
Others					
Rajlaxmi Co-operative Bank	0.01	0.01	0.01	0.01	0.01
Total (b)	**7.60**	**1.03**	**61.53**	**61.53**	**50.71**
Non-Trade Investments-Unquoted					
Group Companies	**-**	**-**	**-**	**-**	**-**
Others	**-**	**-**	**-**	**-**	**-**
Total (c)	**-**	**-**	**-**	**-**	**-**
Immovable Properties	**-**	**-**	**-**	**-**	**-**
Total (d)	**-**	**-**	**-**	**-**	**-**
Less: Provision for diminution in value of investments (e)	**-**	**-**	**-**	**-**	**-**
Total (a+b+c+d-e)	**7.60**	**1.03**	**61.53**	**61.53**	**50.71**

Annexure – XVII

STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED
(As per Accounting Standard 18 - "Related Party Disclosures")

Nature of relationship	Name of the related party
Holding Company	Prakash Constrowell Ltd.
Subsidaries	Atal Buildwell Pvt. Ltd. Ram Buildwel Pvt. Ltd. Mohini Buildcon Pvt. Ltd. Punamraj Construwell Pvt. Ltd.
Key Management Personnel	Prakash Pusaram Laddha T. G. Krishnan Vijaygopal Parshram Atal Suresh Girdharilal Sarda Sharad Ramnarayan Karwa Prashant Punamchand Sarda
Relatives of Key Management Personnel	Mrs. Aruna Prakash Laddha
Enterprises where key management personnel exercise significant influences	Q-Fab Cement Pvt. Ltd. Atal Buildcon Pvt. Ltd. Perfect Aggregates Pvt. Ltd. Prakash Pusaram Laddha (HUF) Sharad Ramnarayan Karwa (HUF)

Details of Related Party Transactions are as follows

(` In Lakhs)

Nature of the Transaction	Name of Party	Nature of Relationship	Year Ended March 31				
			2011	2010	2009	2008	2007
Investment in equity shares	Atal Buildwell Pvt. Ltd.	Subsidiary company	3.06	-	-	-	-
	Ram Buildwel Pvt. Ltd.	Subsidiary company	0.51	-	-	-	-
	Mohini Buildcon Pvt. Ltd.	Subsidiary company	0.51	0.51	0.51	-	-
	Punamraj Construwell Pvt. Ltd.	Subsidiary company	0.51	0.51	0.51	-	-
	Vastu-krupa Construction (I) Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	-	-	10.50	10.50	0.70
	Atal Buildcon Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	-	-	-	-	-
Share Application Money	Atal Buildcon Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	-	-	50.00	50.00	50.00
	Mohini Buildcon Pvt. Ltd.	Subsidiary company	-	-	-	0.51	-
	Punamraj Construwell Pvt. Ltd.	Subsidiary company	3.00	-	-	0.51	-
Interest paid	Prakash Pusaram Laddha	Key Management Personnel	11.35	1.46	-	-	-
Interest received	Atal Buildcon Pvt. Ltd.	Enterprises where key management personnel exercise significant influences		-	34.50	5.99	-
Loans & advances	Atal Buildwell Pvt. Ltd.	Subsidiary company	48.61	53.84	51.87	-	-
	Ram Buildwell Pvt. Ltd.	Subsidiary company	10.00	-	85.00	-	-
	Mohini Buildcon Pvt. Ltd.	Subsidiary company	122.35	-	135.02	-	-
	Punamraj Construwell Pvt. Ltd.	Subsidiary company	44.5	-	79.00	-	-
	Prashant Punamchand Sarda	Key Management Personnel		-	-	1.50	1.50
	Suresh Girdharilal Sarda	Key Management Personnel		-	-	1.84	1.76
	Shared Ramnarayan Karwa	Key Management Personnel		-	-	17.11	2.01
	Atal Buildcon Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	1,020.47	807.24	631.90	156.58	8.36
	Prakash Pusaram Laddha (HUF)	Enterprises where key management personnel exercise significant influences		55.55	-	-	
	Prakash Laddha		(125.53)	77.73	15.00	15.00	15.00
	Sharad Ramnarayan Karwa (HUF)	Enterprises where key management personnel exercise significant influences		-	14.50	14.50	14.50

Nature of the Transaction	Name of Party	Nature of Relationship	Year Ended March 31				
			2011	2010	2009	2008	2007
Current A/c	Prakash Pusaram Laddha	Key Management Personnel		(1.05)	37.30	(5.30)	0.68
	Vijaygopal Parshram Atal	Key Management Personnel	8.66	-	0.10	0.10	-
	Suresh Girdharilal Sarda	Key Management Personnel	(0.34)	8.56	8.42	5.78	5.66
	Sharad Ramnarayan Karwa	Key Management Personnel	-	-	15.38	0.27	-
	Prashant Punamchand Sarda	Key Management Personnel	0.48	16.67	16.62	13.62	-
Construu. Expenses incurred by subsidaries on behlaf of holding (Reimbursement)	Atal Buildwell Pvt. Ltd.	Subsidiary company	35.95	-	-	-	-
	Ram Buildwel Pvt. Ltd.	Subsidiary company	0.61	-	-	-	-
	Mohini Buildcon Pvt. Ltd.	Subsidiary company	7.76	-	-	-	-
	Punamraj Construwell Pvt. Ltd.	Subsidiary company	0.05	-	-	-	-
Loans received	Prakash Pusaram Laddha	Key Management Personnel	-	154.25	-	-	-
Loans repaid	Prakash Pusaram Laddha	Key Management Personnel	154.25	-	-	-	-
Deposits deducteded	Atal Buildwell Pvt. Ltd.	Subsidiary company	15.17	72.83	35.00	-	-
	Ram Buildwel Pvt. Ltd.	Subsidiary company	8.10	34.35	32.65	-	-
	Mohini Buildcon Pvt. Ltd.	Subsidiary company	50.21	83.30	22.23	-	-
	Punamraj Construwell Pvt. Ltd.	Subsidiary company	69.74	40.38	13.75	-	-
Remuneration paid	Prakash Pusaram Laddha	Key Management Personnel	9.00	3.00	3.00	2.40	2.40
	T. G. Krishnan	Key Management Personnel	4.80	2.04	2.04	2.04	1.87
	Vijaygopal Parshram Atal	Key Management Personnel	2.25	-	1.00	2.40	2.40
	Suresh Girdharilal Sarda	Key Management Personnel	-	-	1.00	2.40	2.40
	Sharad Ramnarayan Karwa	Key Management Personnel	-	-	1.00	2.40	2.40
	Prashant Punamchand Sarda	Key Management Personnel	-	-	1.00	2.40	2.40
Rent paid	Mrs. Aruna Prakash Laddha	Relative of Key Management Personnel	6.00	6.00	6.00	6.00	6.00
	Prakash Pusaram Laddha	Key Management Personnel	2.40	1.80	2.88	2.88	2.88
	Vijaygopal Parshram Atal	Key Management Personnel	-	-	-	-	0.72
	Suresh Girdharilal Sarda	Key Management Personnel	-	-	-	0.96	0.96
	Prashant Punamchand Sarda	Key Management Personnel	-	-	-	0.72	0.72
	Sharad Ramnarayan Karwa	Key Management Personnel	-	-	-	2.64	2.34
Construction Expenses Payable	Atal Buildwell Pvt. Ltd.	Subsidiary company	413.37	680.15	778.54	458.55	-
	Ram Buildwell Pvt. Ltd.	Subsidiary company	592.56	1,639.93	578.18	82.10	-
	Mohini Buildcon Pvt. Ltd.	Subsidiary company	736.23	1,671.10	745.73	253.43	-
	Punamraj Construwell Pvt. Ltd.	Subsidiary company	239.52	195.47	297.45	44.48	-
Purchase Payable	Q-Fab Cement Pvt.Ltd.	Enterprises where key management personnel exercise significant influences	0.90	(2.60)	1.02	2.41	1.91
	Perfect Aggregates Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	2.43	1.96	2.95	1.69	2.89

Outstanding balance as at the end of the year/period

(` In Lakhs)

Nature of the Transaction	Name of Party	Nature of Relationship	As at 31 March				
			2011	2010	2009	2008	2007
Receivables	AtalBuildwell Pvt. Ltd.	Subsidiary company	-	12.60	-	14.81	-
	Ram Buildwell Pvt. Ltd.	Subsidiary company	-	85.03	-	-	-
	MohiniBuildcon Pvt. Ltd.	Subsidiary company	-	10.33	-	-	-
	PunamrajConstruwell Pvt. Ltd.	Subsidiary company	-	76.92	28.90	4.65	-
	Q-Fab Cement Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	-	2.60	-	-	-
Payables	AtalBuildwell Pvt. Ltd.	Subsidiary company	3.89	-	84.53	-	-
	Ram Buildwell Pvt. Ltd.	Subsidiary company	88.93	-	34.29	25.61	-
	MohiniBuildcon Pvt. Ltd.	Subsidiary company	126.98	7.95	80.90	17.07	-
	PunamrajConstruwell Pvt. Ltd.	Subsidiary company	16.63	-	58.47	-	-
	Q-Fab Cement Pvt. Ltd.	Enterprises where key management personnel exercise significant influences	0.90	-	1.02	2.41	1.91
	Perfect Aggregates Pvt. Ltd.	Enterprises where key management personnel exercisesignificant influences	2.43	1.96	2.95	1.69	2.89
Supply	PunamrajConstruwell Pvt. Ltd.	Subsidiary company	-	47.08	1.43		

Annexure – XVIII

STANDALONE STATEMENT OF SEGMENT REPORTING AS RESTATED

Primary - Business Segment (` In Lakhs)

Particulars	Year Ended																		
	31.03.2011				31.03.2010				31.03.2009				31.03.2008			31.03.2007			
	BOT	Works Contracts	Others	Total	BOT	Works Contracts	Others	Total	BOT	Works Contracts	Others	Total	BOT	Works Contracts	Total	BOT	Works Contracts	Others	Total
Segment revenue																			
Allocated & Unallocated income																			
Domestic	392	10,483	1,814	12,689	413	9,641	153	10,207	370	5,743	108	6,221	297	2,348	2,645	260	3,232	424	3,916
Total	**392**	**10,483**	**1,814**	**12,689**	**413**	**9,641**	**153**	**10,207**	**370**	**5,743**	**108**	**6,221**	**297**	**2,348**	**2,645**	**260**	**3,232**	**424**	**3,916**
Segment results																			
Operating Profit/Loss before tax	277	1,310	282	1,869	329	866	-	1,195	288	185	-	474	209	199	408	260	210	50	519
Reallocated Head office Expenses	-	389	-	389	-	136	-	136	-	59	-	59	-	36	36	-	137	-	137
Interest	-	157	-	157	-	-	-	105	-	41	-	41	-	27	27	-	35	-	35
Profit Before Tax	**277**	**764**	**282**	**1,324**	**329**	**730**	**-**	**954**	**288**	**85**	**-**	**373**	**209**	**136**	**345**	**260**	**38**	**50**	**347**
Provision for Taxation & Deferred Tax	-	-	-	355	-	206	-	206	-	-	-	83	-	-	34	-	-	-	58
Profit After Tax	**277**	**764**	**282**	**969**	**329**	**525**	**-**	**749**	**288**	**85**	**-**	**291**	**209**	**136**	**311**	**260**	**-**	**-**	**289**
Segment Assets																			
Fixed Assets	24	121	28	172	475	119	-	594	720	123	-	843	964	1,091	2,055	1,211	1,257	36	2,504
Current Assets	5	6,269	724	6,998	7	3,909	-	3,916	5	3,813	-	3,817	5	1,362	1,368	5	1,002	134	1,141
Unallocated Asset	-	-	-	8	-	-	-	999	-	-	-	62	-	-	62	-	-	-	51
Total Assets	**29**	**6,390**	**752**	**7,178**	**482**	**4,028**	**-**	**5,509**	**724**	**3,936**	**-**	**4,722**	**970**	**2,453**	**3,485**	**1,216**	**2,260**	**169**	**3,696**
Segment Liability																			
Current Liability	24	2,765	316	3,105	63	1,395	-	1,457	57	2,267	-	2,324	49	275	324	37	486	200	723
Unallocated Liability	-		-	1,039	-	-	-	3,100	-	-	-	543	-	-	243	-	-	-	199
Total Liability	**24**	**2,765**	**316**	**4,144**	**63**	**1,395**	**-**	**4,557**	**57**	**2,267**	**-**	**2,867**	**49**	**275**	**567**	**37**	**486**	**200**	**922**

Annexure – XIX

STANDALONE STATEMENT OF RESERVES AND SURPLUS AS RESTATED

(` In Lakhs)

Particulars	As At				
	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Securities Premium Account	144.90	144.90	144.90	144.90	144.90
Less : Issue of Bonus Shares	144.90	-	-	-	-
Total (a)	**-**	**144.90**	**144.90**	**144.90**	**144.90**
Profit & Loss account					
Opening Balance	1,816.21	1,106.96	812.89	509.58	255.98
Add: Current year	1,050.79	709.25	294.07	303.31	253.59
Less: Issue of Bonus Shares	636.00	-	-	-	-
Total (b)	**2,231.00**	**1,816.21**	**1,106.96**	**812.89**	**509.58**
Total (a+b)	**2,231.00**	**1,961.11**	**1,251.86**	**957.79**	**654.48**

FINANCIAL INDEBTEDNESS

The details of the Company's indebtedness on a standalone basis, as at June 30, 2011, are as follows:

Working Capital Loans (Fund Based Limits)

Sr. No.	Name of Lenders	Nature of Borrowings	Amount Sanctioned (` In Lakhs)	Amount outstanding as on June 30, 2011 (` In Lakhs)	Interest (in % p.a.)	Security
Secured Borrowings						
1.	Axis Bank, Sanction letter dated 27.3.2010 further renewed wide its letter dated June 6, 2011, Composite Hypothecation Deed dated 29.3.2010 and Supplement Hypothecation Deed dated June 10, 2011.	Cash Credit	1,700.00	1,637.41	Base rate + 3.25% Presently 12.75% p.a. payable monthly	Refer Note 1 below and Common Security Note

Note 1:-

a) Primary security - Exclusive hypothecation charge over entire current assets, both current and future

b) Collateral security
- First exclusive charge over entire fixed assets, both present and future; except vehicles and specific assets charged to other banks
- First exclusive hypothecation charge over movable fixed assets except specific assets/vehicles charged to other banks.

c) Personal Guarantee - Mr. Prakash Laddha, Mr. Sharad Karwa, Mr. Vijaygopal Atal, Mr. Prashant Sarda and Mr. Suresh Sarda

Working Capital Loans (Non-Fund Based Limit)

Sr. No.	Name of Lenders	Nature of Borrowings	Amount Sanctioned (` In Lakhs)	Amount outstanding as on June 30, 2011 (` In Lakhs)	Commission (in % p.a.)	Security
Secured Borrowings						
1	Axis Bank, Sanction letter dated 27.3.2010, Composite Hypothecation Deed dated 29.3.2010 further	Guarantees	800.0	446.69	1%	Refer Note 2 below and Common Security Note

	renewed wide its letter dated June 6, 2011					

Note 2:-

a) Corporate guarantee by Prakash Constrowell Limited
b) Primary security - Exclusive hypothecation charge over entire current assets, both current and future
c) Collateral security - First exclusive charge over entire fixed assets, both present and future; except vehicles and specific assets charged to other banks
d) Personal Guarantee - Mr. Prakash Laddha, Mr. Sharad Karwa, Mr. Vijaygopal Atal, Mr. Prashant Sarda and Mr. Suresh Sarda

Common Security Note

Common Collateral Securities for all the limits:-

Exclusive Mortgage of the following immovable properties:

a) Office located at Shop No. 6 and 7 at Falcon Plaza, Sarda Circle, Nasik; admeasuring 1417 sq. ft. in the name of Mr. Prakash Laddha.
b) Flat Nos. 18 - 21, at Gautam Park CHS Limited, Nasik, in the name of Mr. Prakash Laddha
c) Shop No. 7 and 12 located at Gautam Park CHS Limited., Nasik; in the name of Mr. Prakash Laddha.
d) Flat No. 3, 9, 20-25, at Vijay Gopal CHS Limited; in the name of Mr. Prakash laddha.
e) Flat No. 6 and basement of area 2000 sq ft. at Vijaygopal CHS Limited, Nasik in the name of Mr. Vijaygopal Atal.
f) Bunglow located at Plot No. 12A, CTS No. 649/A/1/3, 'Kaushal Bungalow', Kulkarni Colony, Opp. Dr. Ranjith Mehta Hospital, Sadhu Vaswani Road, Nasik-1; in the name of Mrs. Aruna Prakash Laddha.

Restrictive Covenants

1. The Company will not withdraw the unsecured loans from the system, during the currency of the limits.

2. The Company will not extend corporate guarantees of the Company to any other company (except the present guarantee given for Atal Buildwell Private Limited) without prior permission of the Bank.

3. The borrower will place their entire banking business with the Bank. The Company will route proportionate banking business including foreign exchange, if any and deposits through our bank.

4. The borrower shall not undertake any new project or expansion or make any investments or additional borrowings / leases during the tenor of the Bank's assistance without prior written approval of the Bank / prior intimation to the Bank.

5. In the event of default, the Bank shall be entitled to appoint / retain one nominee on the Board of Directors of the borrower during the currency of its assistance. Further, Bank also reserves the right to convert full / part of the loan into equity in the event of default.

6. The borrower should not pay any consideration by way of commission, brokerage, fees or in any other form to guarantors directly or indirectly.

7. Certain corporate actions for which the Company requires the prior written consent of the lenders include:

- Enter into any fresh borrowing arrangement, either secured or unsecured with any other Bank or Financial Institutions;
- Implement any scheme of expansion or fresh project or acquisition of fixed assets, except nominal capital expenditure;
- Investment by way of share capital in or lend or advance to or place deposits with any other concern (normal trade credit or security deposit in the routine course of business or advances to employees can, however, be extended);
- Formulation any scheme of amalgamation with any other borrower or reconstruction, acquire any borrower;
- Undertaking guarantee obligations on behalf of any other borrower or any third party;
- Declaring dividend for any year except out of profits relating to that year;
- Making any change in Company's management set-up and capital structure;
- Making any repayment of the loans and deposits and discharge other liabilities except those shown in the funds flow statement submitted from time to time;
- Withdraw moneys brought in by key promoters/depositors;
- Grant loans to promoters/associates and other companies.

8. Loans to directors/associates and other related entities shall be made only with our prior consent in writing.

9. The loan shall be utilitsed for the purpose for which it is sanctioned and it should not be utilized for
   - Subscirbtion to or purchase of share/debentures
   - Extending loans to subsidiary company or for making inter corporate deposits
   - Any speculative purposes

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our restated unconsolidated and consolidated financial statements, including the notes thereto, and other financial data beginning on page 183 of the Red Herring Prospectus. You should also read the sections titled "Risk Factors" and "Forward-Looking Statements" beginning on pages 14 and 13, respectively, of the Red Herring Prospectus which discuss a number of factors and contingencies that could impact our financial condition and results of operations.

The following discussion is based on our consolidated restated financial statements as of and for the, fiscal years March 31, 2011, 2010, 2009 and 2008. Our audited unconsolidated and consolidated financial statements are prepared in accordance with Indian GAAP, the accounting standards prescribed by the ICAI and the relevant provisions of the Companies Act and restated in accordance with the relevant provisions of the SEBI Regulations and the Companies Act. Our fiscal year ends on March 31 of each year. Unless otherwise stated, "fiscal year" or "fiscal" refers to the twelve month period ending March 31 of that year.

SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The consolidated financial statements are prepared in accordance with Accounting Standard - 21 on consolidated financial statements as issued by ICAI. Reference in these notes to Company, Holding Company, Companies or Group shall mean to include Prakash Constrowell Limited or any of its subsidiaries, unless otherwise stated.

b) Principles of consolidation

The consolidated financial statements comprise of the financial statements of Prakash Constrowell Limited and its subsidiaries .The financial statements of the group Companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effects of inter Company transactions are eliminated on consolidation.

c) Goodwill / Capital Reserve on consolidation

Goodwill / Capital Reserve represents the difference between the Company's share in the net worth of subsidiaries, and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the Company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital Reserve on consolidation is adjusted against Goodwill. The Goodwill recorded in these consolidated financial statements has not been amortized, but instead evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may be impaired.

d) Fixed Assets

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation. Cost being cost of acquisition and includes expenditure directly attributable for commissioning of the assets.
All categories of assets costing less than ` 5,000 each and items of soft furnishing are fully depreciated in the year of purchase.

e) Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

f) Depreciation

Depreciation has been provided in the accounts from the date of its installations/use and on written down value method at the rates prescribed in schedule XIV to the Companies Act, 1956 except on "License to collect toll", which is being depreciated over the useful life of the asset on Straight Line Method. The depreciation in respect of fixed assets specifically used on a particular work is charged to the contract account of that particular work. The depreciation on other assets is charged to the Profit and Loss Account.

g) Investments

Investments are stated at cost.

h) Work in progress

Work in progress for construction contracts under execution as at balance sheet date are valued as per revenue recognition policy of the company after considering provision for losses if any. While the projects otherwise than these are valued at cost.

Work in progress is valued at Cost. Cost includes direct material, labour, other costs (including interest) and directly attributable overheads. Material purchased and lying at site is included in direct material cost.

i) Revenue Recognition

Revenue is recognized when it is realized or realizable or earned. Revenue is considered as realized or realizable or earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collect ability is reasonably assured.

1) The revenue from construction contracting activity is recognized by following percentage completion method of accounting as prescribed in Accounting Standard - 7 issued by The Institute of Chartered Accountants of India. The stage of completion of a project is determined by the proportion of the contract cost incurred for work performed up to the Balance Sheet date bears to the estimated total contract cost. In the case where the contract revenue or the stage of completion cannot be determined reliably, the cost incurred on the contract is carried forward as Work In Progress.

2) While recognizing profits on contracts / projects substantially completed, due provision for incomplete work / pending bill etc. and probable cost of defect liability is made. Provision for defect liability is made at the amount equal to the amount of retention money (Security deposit retained) plus the bank guarantee offered for defect liability.

3) For the estate development activity (Buildership Activity) undertaken by the company, profits from the sale of constructed units is recognized on handing over of the possession to the buyers. Till then, all the expenses incurred on the development and constructions are accumulated and are shown as Work In Progress. Till such time the receipts from the buyers against the sale of units, under construction, are treated as advance, from the buyers and are shown as liability.

4) The development and construction cost incurred on infrastructure project is shown as Fixed Asset. Toll Collection is accounted for as income, as and when received.

5) Profit/loss from write-off of excess / short provision for defect liability is recognized in the year in which there is unconditional release of retained amount / bank guarantee by the contractee.

6) Scrap is accounted for only on realisation.

j) Retirement and other employee benefits

Liability for leave encashment and gratuity is provided for, on the basis of actuarial valuation done at the end of the financial year.

k) Segment reporting policies

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

l) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

m) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

n) Taxes on income

i. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Provision for Current tax is made after considering tax allowances and exemptions admissible under the provisions of Income Tax Act, 1961 and the Rules made there under.
ii. Deferred Tax for the year is recognized on timing differences; being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.
iii. Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is a reasonable/virtual certainty of their realization.

o) Borrowing Costs

Borrowing Costs that are attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit & Loss Account.

p) Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. There are reviewed at each Balance Sheet date and adjusted to reflect the current best management estimates. Contingent liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

q) Cost of Centering / Shuttering material and scaffolding material is treated as revenue expenditure of the year in which such expenditure is incurred.

Business Overview

We are a construction company predominantly engaged in the business of infrastructure development and civil construction. We are a fast growing company that provides integrated engineering, procurement and construction services. We believe in providing high quality and innovative projects on a timely basis. We undertake projects for various Government / semi-government bodies and other private sector clients. Our Company is headquartered at Nasik, Maharashtra and has operations across the state of Maharashtra.

We focus on the following segments of construction:

- Infrastructure development; including construction and maintenance of roads / highways, bridges, including projects on public private partnership (PPP) model, industrial parks, work-shops, hospitals, educational institutions;
- Civil construction; including, Government staff quarters, hostel buildings and auditoriums;
- Residential and commercial real estate construction

Our Company is registered as Class 1A contractor with the Public Works Department, Government of Maharashtra; wherein we can bid for a range of contracts without restriction on any cost parameters. Further, our Company is also registered with other Government/semi-government bodies to bid for various types of construction projects.

For further details please refer the chapter titled *"Business Overview"* on page 114 of the Red Herring Prospectus.

Significant developments subsequent to the last financial year

In the opinion of the Board of Directors of our Company, no circumstances have arisen since the date of the last financial statements disclosed in the Red Herring Prospectus, any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

Significant Factors Affecting Our Results of Operations

Performance of the civil construction sector

We focus principally on projects in the construction sector. The government's focus on and sustained increase in budgetary allocation for infrastructure and the development of a structured and comprehensive infrastructure policy that encourages greater private sector participation as well as increased funding by international and multilateral development financial institutions in infrastructure projects in India have resulted in, and are expected to result in, the development of large infrastructure projects in India. Our ability to benefit from such investments proposed in construction projects in the medium and long term will be key to our results of operations. Further, any change in government policy with respect to its focus or development of infrastructure projects in India could have a material adverse effect on our financial condition and results of operations.

Cost of raw materials, labour and other inputs

The cost of raw materials, fuel, labour and other inputs constitute a significant part of our operating expenses. Our construction operations require various construction raw materials including steel, bitumen, aggregate, cement, pipes and electrical goods. Fuel costs for operating our construction and other equipment also constitute a significant part of our operating expenses. Additionally, we typically use third-party transportation providers for the supply of most of our raw materials. Transportation strikes by, for example, members of various Indian truckers, unions and various legal or regulatory restrictions placed on transportation providers have had in the past, and could have in the future, an adverse effect on our receipt of supplies. Further, transportation costs have been steadily increasing, and the prices of raw materials themselves can fluctuate. If we are unable to procure the requisite quantities of raw materials in time and at commercially acceptable prices, the performance of our business and results of operations may be adversely affected. Unanticipated increases in the price of raw materials, fuel costs, labour or other inputs not taken into account in our bid and delays in performing parts of the contract can have compounding effects by increasing the costs of performing

other parts of the contract. These risks generally inherent to the construction industry may result in our profits being different from those originally estimated and may result in us experiencing reduced profitability or losses on projects.

Dependence upon limited number of clients and projects

We are dependent on a very limited number of clients and projects and we depend on getting a repeat business from such clients. Our top clients vary from period to period depending on the completion schedule of the projects and this may result in variations in our revenue and profits during such periods. Any loss of a significant client will have an adverse effect on our business and results of operations. Our business will be adversely affected if we are unable to develop and maintain a continuous relationship with our key clients and any loss of a key client will reduce or eliminate or reduce the business operations.

Competition and our bidding and execution capability

We face intense competition from big international and domestic construction companies and expect competition to strengthen due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-establishment infrastructure companies. Our competition varies depending upon size, nature and complexity of the project. Contracts in the infrastructure sector are awarded on the basis of pre-qualification criteria and competitive bidding processes. Once the technical requirements of the tender are cleared, the contract is usually awarded on the basis of the competitive price quoted by the bidder.

Changes in Tax Laws

We believe that any change in the existing tax benefits and incentives can affect our financial condition and operations. Infrastructure sector enjoys many benefits as per Current Tax Laws.

Seasonality and weather conditions

Our business operations may be materially and adversely affected by severe weather, which may require us to evacuate personnel or curtail services and may result in damage to our infrastructure projects and
our equipment or facilities, resulting in the suspension of operations. In addition, such weather may prevent us from delivering materials to our project sites in accordance with contract schedules or otherwise generally reduce our productivity. Our operations and our infrastructure business in particular, are also adversely affected by difficult working conditions and extremely high temperatures during summer months and during monsoon season, which restrict our ability to carry on construction activities and fully utilise our resources. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced.

Overview of our Results of Operations

As a result of the various factors discussed above that affect our income and expenditure, our results of operations may vary from period to period. The following table sets forth certain information with respect to our results of operations for Fiscals 2008, 2009, 2010 and 2011 as derived from our consolidated restated financial statements:

(` In Lakhs)

Particulars	Year Ended							
	31.03.2011		31.03.2010		31.03.2009		31.03.2008	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
INCOME								
Income from operations	12,691.45	98.34	11,340.58	97.85	6,423.17	97.88	2,639.96	98.56

(` In Lakhs)

Particulars	Year Ended							
	31.03.2011		31.03.2010		31.03.2009		31.03.2008	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
Income from trading activity	-	-	-	-	-	-	-	-
Other Income	214.13	1.66	249.63	2.15	139.05	2.12	38.70	1.44
Total Income	**12,905.57**	**100.00**	**11,590.20**	**100.00**	**6,562.22**	**100.00**	**2,678.65**	**100.00**
EXPENDITURE								
Construction Expenses	10,528.47	81.58	10,122.28	87.33	5,753.07	87.67	2,073.71	77.42
Payment & Provision for Employees	99.40	0.77	44.03	0.38	45.22	0.69	50.76	1.90
Administrative & Other Expenses	392.05	3.04	155.60	1.34	156.15	2.38	76.55	2.86
Selling & Distribution Expenses	69.29	0.54	7.59	0.07	8.41	0.13	16.14	0.60
Financial Charges	158.26	1.23	105.67	0.91	41.31	0.63	26.75	1.00
Depreciation & Amortization	263.99	2.05	276.32	2.38	275.66	4.20	260.56	9.73
Total Expenditure	**11,511.46**	**89.20**	**10,711.50**	**92.42**	**6,279.82**	**95.70**	**2,504.48**	**93.50**
Profit before tax and extraordinary items	**1,394.12**		**878.70**		**282.40**		**174.17**	
Add / (Less) : Extraordinary Items/ Prior Period Item	(26.51)	-	-	-	-	-	-	-
Add / (Less) : Transfer from revaluation reserve	134.78	-	179.71	-	179.71	-	180.20	-
Profit before tax and after extraordinary items	**1,502.39**		**1,058.41**		**462.11**		**354.37**	
Add / (Less) : Taxation / Provision for Tax								
Current Tax	(412.73)	-	(248.72)	-	(43.94)	-	(50.41)	-
Earlier Years	(36.42)	-	(25.32)	-	(8.35)	-	(0.20)	-
Deferred Tax Liability/ (Assets)	4.83	-	20.89	-	(41.11)	-	14.06	-
Profit After Tax and extraordinary items as per Audited Accounts (A)	**1,058.07**		**805.26**		**368.72**		**317.83**	
Less: Minority Interest	60.92	-	34.99	-	28.50	-	3.15	-
Profit After Tax and minority interest as per Audited Accounts (A)	**997.15**		**770.27**		**340.21**		**314.67**	
Adjustments to audited financial statements	67.45	-	(24.44)	-	(16.83)	-	(8.36)	-
Net Profit as Restated	**1,064.59**		**745.84**		**323.38**		**306.31**	

Description of Income Items

Income from operations

Our Income from operations which includes contract revenue, toll revenue and sale of materials.

Other Income

Our other income comprises of interest income, rent income, commission on sub-contract charges, machinery hire charges etc.

Description of Expenditure Items

Our total expenditure consists of construction expenses, payment & provision for employees, administrative & other expenses, selling & distribution expenses, financial charges, depreciation & amortization and other expenses.

Construction Expenses

Our construction expenses primarily consists of raw materials such as steel, cement, bitumen, power, hardware, chemicals and pipes &fittings, labour contract charges, work execution charges, machinery hiring charges and miscellaneous site establishment & running expenses.

Payment & Provision for Employees

Our employee cost primarily consists of salaries, wages and bonuses paid to our employees and staff welfare expenses such as contributions to provident fund and gratuity fund.

Administrative & Other Expenses

Our administrative expenses primarily consists of salaries of directors, management, rent and rates, insurance, telephone, postage, printing and stationery.

Selling & Distribution Expenses

Our selling & distribution expenses primarily consist of advertisement related expenses.

Financial Charges

Our financial charges represent bank commission, interest expenses incurred in respect of our short-term and long-term bank borrowings and other loans.

Depreciation& Amortization

Depreciation includes depreciation on buildings, plant and machinery, furniture and fixtures, motor vehicles, office equipment and other intangible assets.

Comparison of Fiscal 2011 with Fiscal 2010

Income

Income from operations

Our income from operations increased by 11.91% from ` 11,340.58 lakhs in Fiscal 2010 to ` 12,691.45 lakhs in Fiscal 2011. This was primarily due to continued implementation of our order book, which contributed increase in income from operations during Fiscal 2011. Our income from operations was 98.34% and 97.85% of our total income for Fiscal 2011 and Fiscal 2010 respectively.

Other Income

Our other income decreased by 14.22% from ` 249.63 lakhs in Fiscal 2010 to ` 214.13 lakhs in Fiscal 2011. Our other income was 1.66% and 2.15% of our total income for Fiscal 2011 and Fiscal 2010 respectively.

Expenditure

Construction Expenses

Our construction expenses increased by 4.01% from ` 10,122.28 lakhs in Fiscal 2010 to ` 10,528.47 lakhs in Fiscal 2011 due to increase in expenses for executing project work. Our construction expenses were 81.58% and 87.33% of our total income for Fiscal 2011 and Fiscal 2010 respectively.

Payment & Provision for Employees

Our employees cost increased by 125.74% from ` 44.03 lakhs in Fiscal 2010 to ` 99.40 lakhs in Fiscal 2011 mainly due to new recruitment of key managerial personnel and rationalization of salary and benefits to the employees, directors etc. Our employees cost was 0.77% and 0.38% of our total income for Fiscal 2011 and Fiscal 2010 respectively.

Administrative & Other Expenses

Our administration and other expenses increased by 151.95% from ` 155.60 lakhs in Fiscal 2010 to ` 392.05 lakhs in Fiscal 2011 and such increase was in line with growth in business. Our administrative expenses were 3.04% and 1.34% of our total income for Fiscal 2011 and Fiscal 2010 respectively.

Selling & Distribution Expenses

Our selling & distribution expenses decreased by 812.54% from ` 7.59 lakhs in Fiscal 2010 to ` 69.29 lakhs in Fiscal 2011 mainly due to expenditure incurred on marketing activities to launch new projects and promote real estate business. Our selling & distribution expenses were 0.54% and 0.07% of our total income for Fiscal 2011 and Fiscal 2010 respectively.

Financial Charges

Our financial charges increased by 49.78% from ` 105.67 lakhs in Fiscal 2010 to ` 158.26 lakhs in Fiscal 2011 due to additional working capital taken for meeting the project cost. Our financial charges were 1.23% and 0.91% of our total income for Fiscal 2011 and Fiscal 2010 respectively.

Depreciation & Amortization

Our depreciation & amortization expenses decreased by 4.46% from ` 276.32 lakhs in Fiscal 2010 to ` 263.99 lakhs in Fiscal 2011. Our financial charges were 2.05% and 2.38% of our total income for Fiscal 2011 and Fiscal 2010 respectively.

Profit before tax and after extraordinary items

Principally due to reasons described above, our profit before tax and after extraordinary items increased by 41.95% from ` 1,058.41 lakhs in Fiscal 2010 to ` 1,502.39 lakhs in Fiscal 2011.

Net Profit as restated

Principally due to reasons described above, our restated net profit increased by 42.74% from ` 745.84 lakhs in Fiscal 2010 to ` 1,064.59 lakhs in Fiscal 2011.

Comparison of Fiscal 2010 with Fiscal 2009

Income

Income from operations

Our income from operations increased by 76.56% from ` 6,423.17 lakhs in Fiscal 2009 to ` 11,340.58 lakhs in Fiscal 2010. This was primarily due to continued implementation of our order book, which increased substantially during Fiscal 2010. Our income from operations was 97.85% and 97.88% of our total income for Fiscal 2010 and Fiscal 2009 respectively.

Other Income

Our other income increased by 79.52% from ` 139.05 lakhs in Fiscal 2009 to ` 249.63 lakhs in Fiscal 2010. Our other income 2.15% and 2.12% of our total income for Fiscal 2010 and Fiscal 2009 respectively.

Expenditure

Construction Expenses

Our construction expenses increased by 75.95% from ` 5,753.07 lakhs in Fiscal 2009 to ` 10,122.28 lakhs in Fiscal 2010 due to increase in expenses for executing project work. Our construction expenses were 87.33% and 87.67% of our total income for Fiscal 2010 and Fiscal 2009 respectively.

Payment & Provision for Employees

Our employees cost marginally decreased by 2.63% from ` 45.22 lakhs in Fiscal 2009 to ` 44.03 lakhs in Fiscal 2010. Our employees cost was 0.38% and 0.69% of our total income for Fiscal 2010 and Fiscal 2009 respectively.

Administrative & Other Expenses

Our administration and other expenses marginally reduced by 0.35% from ` 156.15 lakhs in Fiscal 2009 to ` 155.60 lakhs in Fiscal 2010.Our administrative expenses were 1.34% and 2.38% of our total income for Fiscal 2010 and Fiscal 2009 respectively.

Selling & Distribution Expenses

Our selling & distribution expenses decreased by 9.72% from ` 8.41 lakhs in Fiscal 2009 to ` 7.59 lakhs in Fiscal 2010. Our selling & distribution expenses were 0.07% and 0.13% of our total income for Fiscal 2010 and Fiscal 2009 respectively.

Financial Charges

Our financial charges increased by 155.82% from ` 41.31 lakhs in Fiscal 2009 to ` 105.67 lakhs in Fiscal 2010 due to additional working capital taken for meeting the project cost. Our financial charges were 0.91% and 0.63% of our total income for Fiscal 2010 and Fiscal 2009 respectively.

Depreciation & Amortization

Our depreciation & amortization expenses marginally increased by 0.24% from ` 275.66 lakhs in Fiscal 2009 to ` 276.32 lakhs in Fiscal 2010 due to depreciation on new Plant and Machinery. Our financial charges were 2.38% and 4.20% of our total income for Fiscal 2010 and Fiscal 2009 respectively.

Profit before tax and after extraordinary items

Principally due to reasons described above, our profit before tax and after extraordinary items increased by 129.04% from ` 462.11 lakhs in Fiscal 2009 to ` 1,058.41 lakhs in Fiscal 2010.

Net Profit as restated

Principally due to reasons described above, our restated net profit increased by 130.64% from ` 323.14 lakhs in Fiscal 2009 to ` 745.84 lakhs in Fiscal 2010.

Comparison of Fiscal 2009 with Fiscal 2008

Income

Income from operations

Our income from operations increased by 143.31% from ` 2,639.96 lakhs in Fiscal 2008 to ` 6,423.17 lakhs in Fiscal 2009 due to continued implementation of our order book. Our income from operations was 97.88% and 98.56% of our total income for Fiscal 2009 and Fiscal 2008 respectively.

Other Income

Our other income increased by 259.34% from ` 38.70 lakhs in Fiscal 2008 to ` 139.05 lakhs in Fiscal 2009 due to receipt of interest on deposits, machinery hire charges etc. Our other income was 2.12% and 1.44% of our total income for Fiscal 2009 and Fiscal 2008 respectively.

Expenditure

Construction Expenses

Our construction expenses increased by 177.43% from ` 2,073.71 lakhs in Fiscal 2008 to ` 5,753.07 lakhs in Fiscal 2009 due to increase in expenses for executing project work. Our construction expenses were 87.67% and 77.42% of our total income for Fiscal 2009 and Fiscal 2008 respectively.

Payment & Provision for Employees

Our employees cost decreased by 10.91% from ` 50.76 lakhs in Fiscal 2008 to ` 45.22 lakhs in Fiscal 2009. Our employees cost was 0.69% and 1.90% of our total income for Fiscal 2009 and Fiscal 2008 respectively.

Administrative & Other Expenses

Our administration and other expenses increased by 103.97% from ` 76.55 lakhs in Fiscal 2008 to ` 156.15 lakhs in Fiscal 2009 due to increase in bidding related expenses, rent, taxes, provision for defect liability and other expenses. Our administrative expenses were 2.38% and 2.86% of our total income for Fiscal 2009 and Fiscal 2008 respectively.

Selling & Distribution Expenses

Our selling & distribution expenses decreased by 47.89% from ` 16.14 lakhs in Fiscal 2008 to ` 8.41 lakhs in Fiscal 2009 due to decrease in travelling and conveyance related expenses. Our selling & distribution expenses were 0.13% and 0.60% of our total income for Fiscal 2009 and Fiscal 2008 respectively.

Financial Charges

Our financial charges increased by 54.41% from ` 26.75 lakhs in Fiscal 2008 to ` 41.31 lakhs in Fiscal 2009 due to additional working capital taken for meeting the project cost. Our financial charges were 0.63% and 1.00% of our total income for Fiscal 2009 and Fiscal 2008 respectively.

Depreciation & Amortization

Our depreciation & amortization expenses increased by 5.80% from ` 260.56 lakhs in Fiscal 2008 to ` 275.66 lakhs in Fiscal 2009 due to depreciation on new Plant and Machinery. Our financial charges were 4.20% and 9.73% of our total income for Fiscal 2009 and Fiscal 2008 respectively.

Profit before tax and after extraordinary items

Principally due to reasons described above, our profit before tax and after extraordinary items increased by 30.40% from ` 354.37 lakhs in Fiscal 2008 to ` 462.11 lakhs in Fiscal 2009.

Net Profit as Restated

Principally due to reasons described above, our restated net profit increased by 5.57% from ` 306.31 lakhs in Fiscal 2008 to ` 323.38 lakhs in Fiscal 2009.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in the Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the chapters titled *"Risk Factors"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations",* on pages 14 and 239 respectively of the Red Herring Prospectus respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the chapter titled *"Risk Factors"* and *"Management's Discussion and Analysis of Financial Condition and Result of Operations"*, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled *"Risk Factors"* on page 14 of the Red Herring Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances**.**

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in infrastructure construction industry. Relevant industry data, as available, has been included in the chapter titled *"Industry Overview"* beginning on page 89 of the Red Herring Prospectus.

7. Status of any publicly announced new products or business segments

Please refer to the chapter titled *"Business Overview"* beginning on page 114 of the Red Herring Prospectus.

8. The extent to which the business is seasonal.

Our business is not seasonal. However, due to the difficult working conditions during the monsoon season, we try to maximize construction work during the winter, dryer periods of the year. Often this means mobilizing more equipment and increasing staffing levels on construction projects during these periods.

9. Any significant dependence on a single or few suppliers or customers

There is no dependence on a single or few suppliers or customers.

10. Competitive Conditions

Despite the fact that we are not affected by competition in the short-term due to our arrangements under our concession and license agreements, our results of operations could be affected by competition in the infrastructure construction sector in India in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established infrastructure construction companies. This we believe may impact our financial condition and operations.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Group Companies and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, our Directors or Group Companies.

Further, as stated below, there are no show-cause notices / claims served on our Company, our Promoters, our Directors or Group Companies from any statutory authority / revenue authority that would have a material adverse effect on our business.

Cases filed against Our Company

Income Tax Litigation

Description	Authority	Under Section	Period	Liability Involved (` In Lakhs)	Amount Paid (` In Lakhs)	Balance	Latest Status
Deputy Commissioner of Income Tax - Central Circle 1, Nasik V/s Prakash Constrowell Pvt. Ltd.	Income Tax Appellate Tribunal, Pune.	Section 143(3)	A.Y. 2003-04	23.16	Nil	23.16	Matter is still pending before Income Tax Appellate Tribunal, Pune.
Joint Commisioner of Income Tax V/s Prakash Constrowell Limited	Income Tax Appellate Tribunal, Pune.	158 BC read with Section 143(3)	Block Assessment for A.Y. 1997-98 to A.Y. 2003-04	175.86	Nil	175.86	Company is yet to pay the taxation liability.

Cases filed by Our Company

Direct and Indirect Tax proceedings against Our Company

I. Income Tax Proceedings

- The Company had a Search & Seizure action u/s 132 (1) of the Income Tax Act, 1961 on October 9, 2002. Further a notice under Section 158 of the Income tax Act 1961 was issued on March 10, 2003 requiring the Company to file block return for assessment years "1997-98 to 2003-2004 i.e. upto October 9, 2002" (herein referred to "Block Period"). In response to the said notice the Company had filed return of income declaring income of ` 13 lakhs on dated April 28, 2003.

  The ACIT (Central Circle-1) Nasik vide order dated October, 29 2004 u/s 158 BC read with section 143(3) of Income Tax Act, 1961 assessed an income of ` 202.47 Lakhs and raised a demand of ` 119.37 Lakhs for the block period as mentioned above. The company has paid the said demand. Further a show cause notice was also set to initiate penalty proceedings u/s 158

BFA (2). Afterwards the CIT (Appeal)-I Nasik has partly allowed the appeal No. NSK/CIT (A)-I/556/09-10 filed against ACIT Central Circle 1 Nasik against its order u/s 158 BC vide its order dated February 14, 2011.

Description	Authority	Under Section	Period	Liability Involved (` In Lakhs)	Amount Paid (` In Lakhs)	Balance	Latest Status
Prakash Constrowell Pvt. Ltd. V/s Deputy Commissioner of Income Tax	Commissioner of Income Tax (Appeals), Nasik	158 BC read with Section 143(3)	Block Assessment for A.Y. 1997-98 to A.Y. 2003-04	119.37	119.37	Nil	The appeal has been decided in Company's favour and refund of ` 175.86 lakhs has been received including interest. However the department has further appealed against the order.

II. Value Added Tax (VAT) Proceedings

- On July 23, 2009; our Company was denied a refund of ` 3.40 Lakhs under Maharashtra Value Added Tax, 2002 for the period April 1, 2006 to March 31, 2007. In response to this, the Company has filed an appeal dated August 20, 2009 against the department before the Sales Tax Tribunal, Mumbai; which is pending as on the date of the Red Herring Prospectus.

Description	Authority	Under Section	Period	Amount Disputed (` In Lakhs)	Latest Status
Prakash Constrowell Pvt. Ltd. V/s Joint Commissioner of Sales Tax (Appeals)	Maharashtra Sales Tax Tribunal, Mumbai.	57 (2)	FY 2006-07	3.40	Pending before the MST.

Cases filed against Our Promoters

I. Criminal Litigation

Name of the Opposite Party	Case No.	Name of the Court	Brief History	Current Status
Mr. Prakash P. Laddha				
Sundarlal Sauji Co-operative	865/2005	Chief Judicial	Sundarlal Sauji Co-op Bank had filed a case against M/s. Navalji	Case is still pending before

Name of the Opposite Party	Case No.	Name of the Court	Brief History	Current Status
Bank#		Magistrate, Akola	Cotspin a partnership firm, wherein one of our promoter Mr. Prakash P. Laddha was a partner u/s 420 & 468 of Indian Penal Code. Amount in dispute ` 49.68 Lakhs	the court of law.
Sundarlal Sauji Co-operative Bank#	866/2005	Chief Judicial Magistrate, Akola	Sundarlal Sauji Co-op Bank had filed a case against M/s. Navalji Cotspin a partnership firm, wherein one of our promoter Mr. Prakash P. Laddha was a partner u/s 420 & 468 of Indian Penal Code. Amount in dispute ` 49.40 Lakhs	Case is still pending before the court of law.
Jintur Ratan Co-operative Bank, Akola	2186/2001	Judicial Magistrate First Class, Akola	Jintur Ratan Co-operative Bank, Akola had filed a case against M/s. Navalji Cotspin a partnership firm, wherein one of our promoter Mr. Prakash P. Laddha was a partner and accusing under section 138 of Negotiable Instrument Act, 1881 for recovery of ` 55.25 Lakhs.	Case is still pending before the court of law.
Jintur Ratan Co-operative Bank, Akola	2187/2001	Judicial Magistrate First Class, Akola	Jintur Ratan Co-operative Bank, Akola had filed a case against Navalji Cotspin a partnership firm, wherein one of our promoter Mr. Prakash P. Laddha was a partner, accusing under section 138 of Negotiable Instrument Act, 1881 for recovery of ` 55.00 Lakhs.	Case is still pending before the court of law.
Mrs. Aruna Janardhan Kapse & Mr. Janardhan Raghunath	3028, 3029 & 3031 of 2004	Trial Court, Nasik	The plaintiff had filed a case against Vastu-krupa Construction (India) Private Limited, Mr. Prakash P. Laddha & Mrs. Aruna P. Laddha as directors of Vastu-krupa Construction (India) Limited under Section 138 of The Negotiable Instrument Act, 1881 read with Section 420 of Indian Penal Code for dishonor of cheques aggregating to ` 22.50 Lakhs.	These cases have been dismissed.
Mrs. Aruna P. Laddha				
Mrs. Aruna Janardhan Kapse & Mr. Janardhan Raghunath	3028, 3029 & 3031 of 2004	Trial Court, Nasik	The plaintiff had filed a case against Vastu-krupa Construction (India) Private Limited, Mrs. Aruna P. Laddha & Mr. Prakash P. Laddha as directors of Vastu-krupa Construction (India) Limited under Section 138 of The Negotiable Instrument Act, 1881 read with Section 420 of Indian Penal Code for dishonor of cheques aggregating to ` 22.50 Lakhs.	These cases have been dismissed.

As on date, business of Sundarlal Sauji Co-operative Bank has been taken over by Jintur Ratan Co-operative Bank.

II. Civil Litigation

Name of the Opposite Party	Case No.	Name of the Court	Brief History	Current Status

Name of the Opposite Party	Case No.	Name of the Court	Brief History	Current Status
Mr. Prakash P. Laddha				
Vastu-krupa Construction (India) Private Limited, Mr. Rajesh M. Ahuja & Mr. Manoj M. Ahuja	694/1998	Civil Judge, Senior Division, Nasik.	The complainant filed a civil suit for specific performance of 'Development Agreement' dated November 20, 1991 entered between the parties to develop the area situated at CTS No. 6987, 6988, 7007 area admeasuring 200.70, 122, 5165.97 Sq mtrs. respectively. The compensation claimed by the complainant is ` 292.00 Lakhs.	The case was filed on December 16, 1998 and is pending till date.

III. Other Litigation

- Central Bank of India had initiated proceedings before the Debts Recovery Tribunal, Nagpur against Navalji Cotspin Limited, its directors which includes our Promoter and Director Mr. Prakash P. Laddha, and its guarantors which includes one of our Non-executive Director Mr. Vijaygopal P. Atal for recovery of its dues amounting to ` 556.07 Lakhs with interest due thereon. However, by judgment dated April 23, 2008 passed by the Presiding Officer of DRT on the Original Application of Central Bank of India, has allowed the same against other defendants, except our Promoter and Director Mr. Prakash P. Laddha.

Cases filed by Our Promoters

I. Civil Litigation

Name of the Opposite Party	Case No.	Name of the Court	Brief History	Current Status
Mr. Prakash P. Laddha				
Vastu-krupa Construction (India) Private Limited, Mr. Rajesh M. Ahuja & Mr. Manoj M. Ahuja and Mr. Nandkumar Ranbhise (Trustee Dio Session Council) Nasik.	167/1996	Civil Judge, Senior Division, Nasik	The suit is filed for specific performance of Development Agreement dated November 20, 1991 entered between the parties to develop the area situated at CTS No. 7007/1 area admeasuring 6663 Sq mtrs. The compensation claimed by Mr. Prakash P. Laddha is ` 759.00 Lakhs.	Case is pending before the court of law.

As on the date of the Red Herring Prospectus all the shares of Vastu-krupa Construction (India) Private Limited are held by Mr. Prakash P. Laddha and Mrs. Aruna P. Laddha.

II. Income Tax Litigation

Description	Authority	Under Section	Period	Liability Involved (` In Lakhs)	Amount Paid (` In Lakhs)	Balance (` In Lakhs)	Latest Status
Mr. Prakash P. Laddha							
Mr. Prakash P. Laddha V/s Deputy Commissioner of Income Tax, Nasik	Income Tax Appellate Tribunal, Pune.	158 BC readwith section 143(3)	Block Assessment for A.Y. 1997-98 to	59.90	25.77	34.13	Matter is still pending before Income Tax

Description	Authority	Under Section	Period	Liability Involved (` In Lakhs)	Amount Paid (` In Lakhs)	Balance (` In Lakhs)	Latest Status
			A.Y. 2003-04				Appellate Tribunal, Pune.
Prakash P. Laddha (HUF) V/s Deputy Commissioner of Income Tax, Nasik	Commissioner of Income Tax (Appeals), Nasik	158 BC read with section 143(3)	Block Assessment for A.Y. 1997-98 to A.Y. 2003-04	47.61	1.70	45.91	The appeal has been partly allowed vide order dated July 26, 2011.
Mr. Aruna P. Laddha							
Mrs. Aruna P. Laddha V/s Deputy Commissioner of Income Tax, Nasik	Income Tax Appellate Tribunal, Pune.	158 BC read with section 143(3)	Block Assessment for A.Y. 1997-98 to A.Y. 2003-04	11.64	7.97	3.67	Matter is still pending before Income Tax Appellate Tribunal, Pune.

III. Other Litigation

- Mr. Prakash P. Laddha & others have initiated proceeding before the Company Law Board under Section 397 & 398 of the Companies Act, 1956 against Navalji Cotspin Limited and other directors and promoters on various grounds of Oppression and Mis-management. The said matter is pending before Company Law Board.

Cases filed against Our Directors

I. Civil Litigation

Name of the Opposite Party	Case No.	Name of the Court	Brief History	Current Status
Mr. Sharad R. Karwa				
Mr. Joginder Hansraj Gupta and Mrs. Prabhadevi Mittal	570 dated December 16, 2010	Civil Court, Nasik	Mr. Sharad R. Karwa purchased land admeasuring 4,501.54 Sq. mtrs. at survey no. 240/1 Vilholivat, Mouje Pathardi village, Taluka Nasik, District Nasik, from several parties pursuant to purchase deed dated December 5, 2007. The plaintiff has claimed that they are the 1/3 owners of the said property, as the said property belongs to the joint family of Mr. Mangatrai Gupta, the grandfather of the Petitioner and other sellers. The amount involved ` 6.75 Lakhs.	Defendant Mr. Sharad R. Karwa has not filed any reply as on the date of the Red Herring Prospectus.
Mrs. Hirabai Ashok Tidke	Regular Civil Suit No.152/2009	Circle Officer, Nasik	Mr. Sharad R. Karwa purchased land admeasuring 0.17+0.01 hectare bearing CTS no. 829/2+3A/3B/1A. The plaintiff has claimed the right to use the said	Case is still pending before the court of law.

Name of the Opposite Party	Case No.	Name of the Court	Brief History	Current Status
			property to the extent of 0.01 hectare of the total land of 0.17+0.01 hectare.	

II. Other Litigation

- Mr. Vijaygopal P. Atal

Mr. Vijay Gopal Atal is one of the non executive director of Prakash Constrowell Limited and is one of the defendants in Original Application (O.A.) No 42 /2002 initiated by Central Bank of India in the year 2002 before the Debts Recovery Tribunal (DRT), Nagpur wherein he had been sued in his capacity of guarantor to the loan availed by Navalji Cotspin Limited (NCL). In pursuance to order dated April 23, 2008 passed by the Debts Recovery Tribunal, the Original Application of Central Bank of India has been allowed with costs and defendants have been jointly and severally made liable to pay to the Central Bank of India a sum of ` 555.97 Lakhs with interest @12% per annum from the date of filing of O.A. till full realisation. It is further declared that outstanding amount is secured by mortgage properties of defendants. In so far as property of Mr. Vijaygopal Atal is concerned, it includes 'Survey No. 64/1, GAT No. 138 area admeasuring 2 hectare and 2R at Dolamba' (property worth ` 2.50 Lakhs and this property was mortgaged on May 26, 2008).
The said order includes decree against the relatives of Mr. Vijaygopal P. Atal namely Mrs. Bhawarabai P. Atal; Mr. Pawankumar Atal; Mrs. Chandadevi S. Atal; Mrs. Sujata V Atal and Mrs. Vandana J. Atal.

However the Central Bank of India by its letter dated November 8, 2010 approved compromise proposal of One Time Settlement (OTS) proposed by the Company and agreed to settle the entire dues of the Company for ` 287.00 Lakhs in full and final settlement of their claim. Further Naval Cotspin Limited by its letter dated February 11, 2011 has agreed to pay the amount of OTS proposal and have requested that OTS amount be accepted towards the full and final settlement of claim of the bank in O.A. No 42/2002 decided by DRT, Nagpur and pending before Debt Recovery Appellate Tribunal (DRAT), Mumbai and that on making the payment all claim made by the Central Bank of India shall be satisfied and that the said amount will be paid within 11 months. In the event of the settlement amount not being paid by the said Company the Bank is entitled to sell the mortgage(s) properties and recover their dues and any shortfall can be recovered from any of the defendants including Mr. Vijaygopal P. Atal and his relatives as the liability is jointly and severally.

Cases filed by Our Directors

I. Civil Litigation

Name of the Opposite Party	Case No.	Name of the Court	Brief History	Current Status
Mr. Vijaygopal P. Atal				
Mrs. Sudha Dattatray Thakur and others.	Special Civil Suit No. 119/2001	Nasik District Court	The suit is filed for specific performance of Development Agreement dated September 2, 1998 entered between the complainant and defendant to develop the area situated at CTS 715/B Plot No.48 area admeasuring 707.97 Sq Mtrs. The amount of dispute involved is ` 27.98 Lakhs.	Case is still pending before the court of law.
Mr. Suresh G. Sarda				
M/s. Solar Fencing Super Security	100/06	Judicial Magistrate First Class, Darwa.	Mr. Suresh Sarda and others purchased a Solar Fencing Super Security System for their agriculture field from Mr. Rohit Dutarkadas	Case is still pending before the court of law.

Name of the Opposite Party	Case No.	Name of the Court	Brief History	Current Status
			Jaipura (Dealer of Solar Fencing Super Security System, Yawatmal). However, the dealer failed to give proper after sales service. Hence Mr. Suresh Sarda sent a notice to the Managing Director of Solar Fencing Super Security (Andhra Pradesh) and Mr. Rohit Dutarkadas Jaipura (Dealer, Yawatmal) Dated 13.03.2006 under section 420 of Indian Penal Code. The amount involved is `3.13 lakhs	

II. Income Tax Litigation

Description	Authority	Under Section	Period	Liability Involved (` In Lakhs)	Amount Paid (` In Lakhs)	Balance (` In Lakhs)	Latest Status
Mr. Prashant P. Sarda							
Mr. Prashant P. Sarda V/s Deputy Commissioner of Income Tax, Nasik	Commissioner of Income Tax (Appeals), Nasik	158 BC read with section 143(3)	Block Assessment for A.Y. 1997-98 to A.Y. 2003-04	3.15	2.10	1.05	Matter is still pending before Commissioner of Income Tax (Appeals).
Prashant P. Sarda (HUF)V/s Deputy Commissioner of Income Tax, Nasik	Commissioner of Income Tax (Appeals), Nasik	158 BC read with section 143(3)	Block Assessment for A.Y. 1997-98 to A.Y. 2003-04	0.90	Nil	0.90	The appeal has been partly allowed vide order dated July 28, 2011.
Mr. Sharad R. Karwa							
Mr. Sharad R. Karwa V/s Deputy Commissioner of Income Tax, Nasik	Income Tax Appellate Tribunal, Pune.	158 BC read with section 143(3)	Block Assessment for A.Y. 1997-98 to A.Y. 2003-04	0.99	0.99	Nil	Matter is still pending.
Mr. Suresh G. Sarda							
Mr. Suresh G. Sarda V/s Deputy Commissioner of Income Tax, Nasik	Commissioner of Income Tax (Appeals), Nasik	158 BC read with section 143(3)	Block Assessment for A.Y. 1997-98 to A.Y. 2003-04	5.06	2.50	2.56	The appeal has been partly allowed vide order dated July 28, 2011.

Cases against Our Group Companies

I. Civil Litigation against Vastu-krupa Construction (India) Private Limited.

Name of the Opposite Party	Case No.	Name of the Court	Brief History	Current Status
Mr. Prakash P. Laddha	167/1996	Civil Judge, Senior Division, Nasik	The suit is filed for specific performance of Development Agreement dated November 20, 1991 entered between the parties to develop the area situated at CTS No. 7007/1 area admeasuring 6663 Sq mtrs. The compensation claimed by Mr. Prakash P. Laddha is ` 759.00 Lakhs.	Case is still pending before the court of law.

As on the date of the Red Herring Prospectus all the shares of Vastu-krupa Construction (India) Private Limited are held by Mr. Prakash P. Laddha and Mrs. Aruna P. Laddha.

II. Criminal Litigation against Vastu-krupa Construction (India) Private Limited.

Name of the Opposite Party	Case No.	Name of the Court	Brief History	Current Status
Mrs. Aruna Janardhan Kapse & Mr. Janardhan Raghunath Kapse	3028, 3029 & 3031 of 2004	Trial Court, Nasik	The plaintiff had filed a case against Vastu-krupa Construction (India) Private Limited, Mrs. Aruna P. Laddha & Mr. Prakash P. Laddha as directors of Vastu-krupa Construction (India) Limited under Section 138 of The Negotiable Instrument Act, 1881 read with Section 420 of Indian Penal Code for dishonor of cheques aggregating to ` 22.50 Lakhs.	These cases have been dismissed.

Cases by Our Group Companies

I. Civil Litigation by Vastu-krupa Construction (India) Private Limited, Mr. Rajesh M. Ahuja & Mr. Manoj M. Ahuja.

Name of the Opposite Party	Case No.	Name of the Court	Brief History	Current Status
Mr. Prakash P. Laddha	694/1998	Civil Judge, Senior Division, Nasik	The complainant filed a civil suit for specific performance of 'Development Agreement' dated November 20, 1991 entered between the parties to develop the area situated at CTS No. 6987, 6988, 7007 area admeasuring 200.70, 122, 5165.97 Sq mtrs. respectively. The compensation claimed by the complainant is ` 292.00 Lakhs	The case was filed on December 16, 1998 and is still pending.

II. Income Tax Litigation by Vastu-krupa Construction (India) Private Limited

Description	Authority	Under Section	Period	Liability Involved (` In Lakhs)	Amount Paid (` In Lakhs)	Balance (` In Lakhs)	Latest Status
Vastu-krupa Construction (India) Private Limited V/s Deputy Commission	Commissioner of Income Tax (Appeals), Nasik	158 BC read with section 143(3)	Block Assessment for A.Y. 1997-98 to A.Y.	3.78	3.78	Nil	Matter is still pending.

Description	Authority	Under Section	Period	Liability Involved (` In Lakhs)	Amount Paid (` In Lakhs)	Balance (` In Lakhs)	Latest Status
er of Income Tax, Nasik			2003-04				

Pending dues of Small Scale Undertakings

Our Company does not have any dues exceeding `1.00 Lakh outstanding for more than 30 days to any small-scale industrial undertaking(s).

Contingent Liabilities as March 31, 2011

Our contingent liabilities as on March 31, 2011 were as follows: (` In Lakhs)

Nature of Liabilities	Amount
Performance guarantees issued on behalf of the company by banks	690.99
Tax Liabilities	175.86
Total	**866.85**

Material Development since the last Balance Sheet date

For details, please refer to chapter titled *"Management Discussion and Analysis of Financial Conditions and Results of Operations"*on page 239 of the Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, we can undertake this Issue and our present business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue and our present business activities. It must however, be distinctly understood that in granting the above approval, the Government and the other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statement or any commitments made or opinion expressed. Unless otherwise stated, these approvals are all valid as of the date of the Red Herring Prospectus.

I. Approvals for the Issue

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on January 5, 2011, authorised the Issue, subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act.

2. The shareholders have, pursuant to a resolution dated January 29, 2011 under Section 81(1A) of the Companies Act, authorised the Issue.

3. In principal approval dated June 20, 2011from the BSE.

4. In principal approval dated June 16, 2011 from the NSE.

II. Corporate Related Approvals

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Granted on	Validity
Prakash Constrowell Limited					
1.	Certificate of Incorporation as Prakash Constrowell Private Limited.	Registrar of Companies, Maharashtra, Mumbai	11-95941 of 1996 Corporate Identity Number: U45200MH1996PLC095941	January 4, 1996	Until cancellation or winding up
2.	Certificate of Incorporation as Prakash Constrowell Limited.	Registrar of Companies, Maharashtra, Mumbai	11-95941 of 1996 Corporate Identity Number: U45200MH1996PLC095941	January 5, 2011	Until cancellation or winding up
Atal Buildwell Private Limited					
3.	Certificate of Incorporation as Atal Buildwell Private Limited.	Registrar of Companies, Maharashtra, Mumbai	168421 Corporate Identity Number: U45200MH2007PTC168421	March 7, 2007	Until cancellation or winding up
Ram Buildwel Private Limited					
4.	Certificate of Incorporation as Ram Buildwel Private Limited.	Registrar of Companies, Maharashtra, Mumbai	174223 Corporate Identity Number: U45200MH2007PTC174223	September 18, 2007	Until cancellation or winding up
Punamraj Construwell Private Limited					
5.	Certificate of Incorporation as Punamraj Construwell Private Limited.	Registrar of Companies, Maharashtra, Mumbai	165679 Corporate Identity Number: U70101MH2006PTC165679	November 21, 2006	Until cancellation or winding up

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Granted on	Validity
Mohini Buildcon Private Limited					
6.	Certificate of Incorporation as Mohini Buildcon Private Limited.	Registrar of Companies, Maharashtra, Mumbai	165682 Corporate Identity Number: U70101MH2006PTC165682	November 21, 2006	Until cancellation or winding up

III. *Business Related Approvals*

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Granted on/ Application Dated	Validity
1.	Registration as Class IA Approved Contractor	Public Works Department, Nasik,	9251/2006	July 17, 2006	Registration extended till December 31, 2011. Renewal is under process.
2.	Earnest Money Exemption Certificate	Public Works Department, Nasik,	AB/TC/424/2006	July 21, 2006	Registration extended till December 31, 2011. Renewal is under process.
3.	Registration Certificate of Establishment under Bombay Shops and Establishment Act, 1948 for the registered office.	Senior Inspector, Shops and Establishment	B-279312	May 15, 1996	December 31, 2013
4.	Registration under Employees' State Insurance Corporation.	S. S. Officer, ESI Corporation, Nasik, Division II	Code No. 33000424680001009	March 28, 2011	Utill cancellation
5.	Registration under Contract Labour (Regulation and Abolition) Act, 1970 for World Bank Project, PWD, Aurangabad.	Licensing Officer, Aurangabad	AWB/380/94	June 2, 2009	Project Completed.
6.	Registration under Contract Labour (Regulation and Abolition) Act, 1970 for Construction of SP Office, Thane	Licensing Officer, Thane	Application under Form IV dated September 19, 2011	September 19, 2011	Approval pending
7.	Registration under Contract Labour	Licensing Officer,	024810/R-41	March 23, 2011	December

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Granted on/ Application Dated	Validity
	(Regulation and Abolition) Act, 1970 for construction of building at Malsiras for PWD, Akluj	Solapur			31, 2011
8.	Registration under Contract Labour (Regulation and Abolition) Act, 1970 for construction of building, MSPHWC, Solapur.	Licensing Officer, Solapur.	024809/R-41	March 23, 2011	December 31, 2011
9.	Registration under Contract Labour (Regulation and Abolition) Act, 1970 for Strengthening and Blacktopping to Ardhapur Tamsa Road, PWD, Nanded.	Licensing Officer, Nanded.	NED/824	August 1, 2011	December 31, 2011
10.	Registration under Contract Labour (Regulation and Abolition) Act, 1970 for Construction of Hostel, Government Polytechnic College, PWD, Hingoli, Nanded.	Licensing Officer, Nanded.	NED/825	August 1, 2011	December 31, 2011
11.	Registration under Contract Labour (Regulation and Abolition) Act, 1970 for Construction of 'Out Patient Department',Government Medical College, Vishnupuri, PWD, Nanded.	Licensing Officer, Nanded.	NED/740	August 1, 2011	December 31, 2011
12.	Registration under Contract Labour (Regulation and Abolition) Act, 1970 for Improvement to Harisal-Akot-Akola-Washim-Hingoli-Kalamnuri-Waranga Road (Including Bypass), PWD, Hingoli, Nanded.	Licensing Officer, Nanded.	NED/826	August 1, 2011	December 31, 2011
13.	Registration under Contract Labour (Regulation and Abolition) Act, 1970 for Special repairs of Solapur - Latur -	Licensing Officer, Nanded.	NED/822	August 1, 2011	December 31, 2011

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Granted on/ Application Dated	Validity
	Nanded - Nagpur road, Nanded				
14.	Registration under Contract Labour (Regulation and Abolition) Act, 1970 for Construction of Police Quarters, Darati, Yeotmal, MSPHWC.	Licensing Officer, Yeotmal.	Application under Form IV dated March 23, 2011	March 23, 2011	Project completed
15.	Registration under Contract Labour (Regulation and Abolition) Act 1970 for Construction of administrative building for SP at Parbhani, MSPHWC.	Licensing Officer, Nanded.	NED/786	August 5, 2010	December 31, 2011
16.	Registration under Contract Labour (Regulation and Abolition) Act 1970 for Construction of E-type staff quarters, Paras	Licensing Officer, Akola	License No. 5 / 11	January 1 , 2011	December 31, 2011
17.	Registration under Contract Labour (Regulation and Abolition) Act 1970 for Construction of tourist complex at Malshiras, Tal. Akluj, Dist. Solapur.	Licensing Officer, Solapur	024811/R-41	March 23, 2011	December 31, 2011
18.	Registration under Contract Labour (Regulation and Abolition) Act 1970 for Construction of administrative building for C.P. Navi Mumbai	Licensing Officer, Mumbai.	Application under Form IV dated August 20, 2011	August 20 , 2011	Approval pending
19.	Registration under Contract Labour (Regulation and Abolition) Act 1970 for Construction of of M T W H Building with ancillary works in WH Complex, Yeotmal	Licensing Officer, Yeotmal.	-	-	Application is yet to be made.
20.	Registration under Contract Labour (Regulation and Abolition) Act 1970 for Construction of M T W H Building with ancillary works in WH Complex, Aurangabad	Licensing Officer, Aurangabad.	-	-	Application is yet to be made.
21.	Registration under Contract Labour	Licensing Officer,	-	-	Application is yet to be

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Granted on/ Application Dated	Validity
	(Regulation and Abolition) Act 1970 for Redevelopment of existing vegetable market at Shukrawar peth Pune on BOT Basis	Pune			made.
22.	Registration under Contract Labour (Regulation and Abolition) Act 1970 for Redevelopment of existing vegetable market at Yerwada, Pune on BOT Basis	Licensing Officer, Pune	-	-	Application is yet to be made.
23.	Registration under Contract Labour (Regulation and Abolition) Act 1970 for Construction of main building of Nursing college at Nanded.	Licensing Officer, Nanded.			Application is yet to be made.
24.	Registration under Contract Labour (Regulation and Abolition) Act 1970 for Construction of of M T W H Building with ancillary works in WH Complex , Yeotmal	Licensing Officer, Yeotmal.			Application is yet to be made.

IV. Tax Related Approvals

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Granted on	Validity
Prakash Constrowell Limited					
1.	Permanent Account Number	Income Tax Department	AABCP3573F	-	Until cancellation
2.	Service Tax Registration	The Superintendent (Technical-I) Central Excise & Customs, Nasik	AABCP3573FST001	October 23, 2008	Until cancellation
3.	Tax Deduction Account Number	Income Tax Department	NSKP00764B	-	Until cancellation
4.	Registration as a dealer under the Maharashtra Value Added Tax 2002	Registration Officer, Sales Tax Department, Maharashtra	27100002124V	April 1, 2006	Until cancellation

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Granted on	Validity
5.	Registration as a dealer under Central Sales Tax Act 1956	Registration Officer, Sales Tax Department, Maharashtra	27100002124C	April 1, 2006	Until cancellation
6.	Registration as a employer under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Nasik	PT/R/1/5/9/4238	April 24, 1996	Until cancellation
7.	Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Nasik	PT/E/1/5/9/18/576	May 21, 1996	Until cancellation
8.	Registration under Employees Provident Fund and Miscellaneous Provisions Act, 1952	Assistant Provident Fund Commissioner, Nasik.	MH/NSK/51898	July 30, 2002	Until cancellation.

V. Intellectual Property

Particulars of the Mark	Class	Application No.	Application Date	Status
PRAKASH Constrowell Limited	36	2115841	March 16, 2011	Pending
PRAKASH Constrowell Limited	37	2115842	March 16, 2011	Pending
PRAKASH Constrowell Limited	42	2115843	March 16, 2011	Pending

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board dated January 5, 2011. The shareholders have authorised the Issue by a special resolution passed pursuant to section 81(1A) of the Companies Act at the EOGM of our Company held on January 29, 2011.

Prohibition by SEBI

Our Company, Directors, Promoter, Promoter Group and Group Entities have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

The companies, with which our Promoter, Directors or persons in control of our Company are associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

None of our Directors are associated with the securities market.

Prohibition by RBI

Our Company, Directors, Promoter, the relatives (as defined under the Companies Act) of our Promoter, the Promoter Group, Group Entities and companies in which our Directors, Promoter are associated as directors or promoter have not been declared as willful defaulters by RBI or any other governmental authorities, except as details provided in the chapter *"Outstanding Litigations And Material Developments"* starting on page 251 of the Red Herring Prospectus.

Eligibility for the Issue

We are eligible to make the Issue in accordance with Regulation 26 (1) of the SEBI (ICDR) Regulations: Regulation 26(1) of the SEBI (ICDR) Regulations states as follows:

"26. (1) An unlisted company may make an initial public offering (IPO) of equity shares only if it meets all the following conditions:

(a) The company has net tangible assets of at least ` 3 crores in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets:

Provided that if more than 50% of the net tangible assets are held in monetary assets, the company has made firm commitments to deploy such excess monetary assets in its business/project;

(b) The company has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years;

Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of section 205 of Companies Act, 1956;

(c) The company has a net worth of at least `1 crore in each of the preceding 3 full years (of 12 months each);

(d) In case the company has changed its name within the last one year, atleast 50% of the revenue for the preceding 1 full year is earned by the company from the activity indicated by the new name; and

(e) The aggregate of the proposed issue and all previous issues made in the same financial year in terms of issue size does not exceed five (5) times its pre-issue net worth as per the audited balance sheet of the preceding financial year."

Our Company's net profit, dividend, net worth, net tangible assets and monetary assets derived from the Auditor's Report included in the Red Herring Prospectus as at, and for the last five years ended Fiscal 2010 are set forth below:

(` In Lakhs)

Particulars	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007
Net tangible Assets*	4,052.17	2,906.54	1,676.27	993.56	582.48
Monetary Assets**	229.53	201.79	84.34	92.11	73.83
Monetary Assets as a percentage of Net Tangible assets	5.66%	6.94%	5.03%	9.27%	12.67%
Distributable profits after tax excluding extra ordinary item ***	2,237.22	1,816.21	1,106.96	812.89	509.58
Net worth****	3,059.23	2,002.30	1,292.54	998.92	695.58

**"Net Tangible Assets" are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.*

***Monetary Assets are defined as the sum of cash in hand, non trade Investments, balance with scheduled bank in current accounts, fixed deposits and public deposit account with the Government, if any.*

****Distributable profits have been computed in terms section 205 of the Companies Act, 1956.*

*****Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.*

Hence, we are eligible for the Issue under Regulation 26(1) of the SEBI (ICDR) Regulations.

Further, in accordance with Regulation 26(4) of the SEBI (ICDR) Regulations, we shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will be not less than 1,000.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 30, 2011 WHICH READS AS FOLLOWS:

"WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

   A. **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   B. **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   C. **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE**

BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OFPROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE AS THE ISSUE SIZE IS MORE THAN ` 1,000 LAKHS , THE ALLOTMENT OF THE EQUITY SHARES IS TO BE MADE COMPULSORILY IN DEMATERIALISED FORM ONLY, PURSUANT TO SECTION 68B OF THE COMPANIES ACT, 1956.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ,ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

Note:

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under section 63 and section 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the BRLM any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Mumbai in terms of section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from our Company and the BRLM

Our Company, our Directors, and the BRLM accept no responsibility for statements made otherwise than in the Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site http://www.pclnsk.com would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Agreement entered into between the BRLM and our Company dated March 1, 2011 and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the BRLM to the public and investors at large and

no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Our Company, the BRLM and the Underwriters shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software / hardware system or otherwise.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Group Entities, affiliates or Associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our Group Entities, affiliates or Associates for which they have received, and may in future receive, compensation.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to Persons resident in India (including Indian nationals resident in India), who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in section 4A of the Companies Act, state industrial development corporations, Venture Capital Funds (VCFs) registered with SEBI, Insurance Companies registered with Insurance and Regulatory Development Authority, Provident Funds (subject to applicable law) with minimum corpus of ` 2,500 lakhs and pension funds with minimum corpus of ` 2,500 lakhs, and to permitted non residents including FIIs, eligible NRIs, multilateral and bilateral development financial institutions, foreign venture capital investors registered with SEBI and eligible foreign investors provided they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. The Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered hereby in any other jurisdiction to any Person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any Person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act). Accordingly, the Equity

Shares will be offered and sold only outside the United States to non-US persons in offshore transactions in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Each purchaser acquiring the Equity Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of the Draft Red Herring Prospectus and such other information, as it deems necessary to make an informed investment decision and that:

1. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

2. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time the buy order for the Equity Shares was originated and continues to be located outside the United States and has not purchased the Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;

3. the purchaser is not an affiliate of our Company or a person acting on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Equity Shares from our Company or an affiliate thereof in the initial distribution of the Equity Shares;

4. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only in accordance with Regulation S under the Securities Act, or any transaction exempt from the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

5. the purchaser is purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act; and

6. the purchaser acknowledges that our Company, the BRLM and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole

investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Disclaimer Clause of Bombay Stock Exchange Limited (BSE)

Bombay Stock Exchange ("the Exchange") has given vide its letter dated June 20, 2011 permission to this Company to use Exchange's name in the offer document as one of the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized the offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-

i. warrant, certity or endore the correctiness or competness of any of the contents of this offer document; or

ii. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

iii. take any responsibility for the financial or other soundeness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that the offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the National Stock Exchange of India of Limited (NSE)

As required, a copy of this Offer Document had been submitted to the National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref: NSE/LIST/167864-D dated June 16, 2011 permission to the Issuer to use Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized the Draft Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquires any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra, India.

Listing

Applications will be made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within 7 Working Days of finalisation of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, the Company Secretary, the Compliance Officer, the Auditors, the Peer Review Auditor, the Expert, the Banker to the Issue; and (b) BRLM, Syndicate Members, Registrar to the Issue, Escrow Collection Bank, Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the Designated Stock Exchange and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the Designated Stock Exchange. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Red Herring Prospectus and such consent and report have not been withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the Designated Stock Exchange.

Credit Analysis and Research Limited ("CARE"), the IPO grading agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue and M/s. Bedmutha & Associates (Chartered Accountants), the statutory auditors of our Company, have given their written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the Stock Exchange(s).

Expert to the Issue

Other than as stated above, we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately [●] lakhs. The expenses of this Issue include, among others, underwriting and management fees, SCSB's commission/fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company.

The estimated Issue expenses are as under:

Activity	Expenses * (` In lakhs)	Percentage of Issue Expenses	Percentage of the Issue Size
Lead management, underwriting and selling commission	[●]	[●]	[●]
SCSB commission	[●]	[●]	[●]
Printing and Stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others (IPO grading, registrar's fees, legal fee, filing fees, listing fees, etc.)	[●]	[●]	[●]
Total estimated issue expenses	**[●]**	**[●]**	**[●]**

**To be completed after finalisation of issue price*

Fees Payable to the BRLM and the Syndicate Members

The total fees payable to the BRLM and the Syndicate Members will be as per the engagement letter dated October 22, 2010 with the BRLM, issued by our Company, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of Allotement Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as the per the MoU between our Company and the Registrar to the Issue dated February 23, 2011.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our incorporation.

Previous Rights and Public Issues

Except as disclosed in the chapter titled "*Capital Structure*" on page 58 of the Red Herring Prospectus, we have not made any previous rights and public issues in India or abroad in the five years preceding the date of the Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the chapter titled "*Capital Structure"* on page 58 of the Red Herring Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

Companies under the same management

No company under the same management (within the meaning of section 370(1) (B) of the Companies Act) as us has made any capital issue during the last three years.

Promise v. performance –Associates

Our Company and Group Entities have not made any previous rights and public issues.

Outstanding Debentures, Bond Issues, or Preference Shares

Our Company does not have any outstanding debentures, bonds or preference shares as of the date of the Red Herring Prospectus.

Stock Market Data for our Equity Shares

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least thirty six months from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within seven working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have also appointed Mr. Vipul Dileep Lathi, Chief Financial Officer of our Company, as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

Mr. Vipul Dileep Lathi
Chief Financial Officer
Address: 6/7, Falcon Plaza,
National Urdu High School Road,
Near Sarda Circle,
Nasik – 422 001,
Maharashtra, India.
Tel: + 91 (0) 253 2590725
Fax: +91 (0) 253 2597720
Email: info@pclnsk.com
Website: www.pclnsk.com

Change in Auditors

There has been no change in the auditors of our Company for the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised our reserves or profits during the last five years, except as stated in the chapter titled "*Capital Structure*" on page 58 of the Red Herring Prospectus.

Revaluation of Assets

On March 31, 2006, the License to Collect Toll (Arni Toll Naka) by our Company was revalued on "Net Realisable Value". Net appreciation of ` 1,063.46 lakhs in the value of License to Collect Toll was credited to the Revaluation Reserve.

Purchase of Property

Other than as disclosed in the Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or
- The amount of the purchase money is not material.

Except as stated elsewhere in the Red Herring Prospectus, our Company has not purchased any property in which the Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of ourCompany is entitled to any benefit upon termination of his employment in our Company or superannuation.
Except as disclosed in chapter titled "*Related Party Transactions*" on page 203 of the Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SECTION VII - ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the ASBA Form, the Revision Form, the Allotment Advice, the listing agreements to be entered with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment Advices and other documents or certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Issue and to the extent applicable.

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on January 5, 2011, authorised this Issue subject to the approval of the shareholders of our Company, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a resolution dated January 29, 2011 under section 81(1A) of the Companies Act, authorised this Issue.

Our Company has obtained in-principle listing approvals dated June 20, 2011 and June 16, 2011 from the BSE and NSE respectively.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. See the section titled *—"Main Provisions of the Articles of Association"* on page 324 of the Red Herring Prospectus for a description of significant provisions of our Articles.

Mode of Payment of Dividend

Our Company shall pay dividends to shareholders of our Company as per the provisions of the Companies Act, Articles of Association and provisions of the Listing Agreement.

Face Value and Issue Price

The face value of the Equity Shares is ` 10 each. The Issue Price is `[●]. The Floor Price of Equity Shares is ` [●] per Equity Share and the Cap Price is ` [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with Regulations issued by SEBI

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy;

- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see the section titled — *Main Provisions of the Articles of Association"* on page 324 of the Red Herring Prospectus.

Market Lot, Trading Lot and Option to receive Equity Shares in Dematerialised Form

Pursuant to Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. Hence, the Equity Shares being offered through the Red Herring Prospectus can be applied for in the dematerialised form only.

Further, as per the provisions of the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allocation of Equity Shares in this Issue and Allotment will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum bid lot will be decided by our Company in consultation with the Book Running Lead Manager, including the relevant financial ratios computed for both the Cap Price and the Floor Price, which shall be published in English and Hindi national newspapers, and one regional newspaper, each with wide circulation, being the newspapers in which the pre-Issue advertisements were published, at least two Working Days prior to the Bid Opening Date.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Promoter and Promoter Group Participating in this Issue

Our Promoters, Group Companies and the member of our Promoter Group will not participate in this Issue.

Jurisdiction

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

Nomination facility to investors

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors require to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

In the event our Company does not receive a minimum subscription of 90% of the Issue, including devolvement to the Underwriters within 60 days from the Bid Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, we shall pay such interest prescribed under Section 73 of the Companies Act.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will be not less than 1,000.

Application by Eligible NRIs, FIIs and Sub-Accounts

It is to be distinctly understood that there is no reservation for NRIs and FIIs, Sub-Accounts or FVCIs and other Non-Residents. Such Eligible NRIs, FIIs, Sub-Accounts or FVCIs and other Non-Residents shall be treated on the same basis as other categories for the purposes of Allocation.

As per existing regulations, OCBs cannot participate in this Issue.

Arrangements for disposal of odd lots

The Equity Shares will be traded in dematerialized form only and therefore the marketable lot is one (1) Equity Share. Hence, there is no possibility of any odd lots.

Restriction on transfer and transmission of shares

There are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting except as provided in our Articles. See the section titled *"Main Provisions of the Articles of Association"* at page 324 of the Red Herring Prospectus.

Withdrawal of the Issue

Our Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue in accordance with SEBI Regulations. Provided, if our Company withdraws the Issue after the Bid Closing Date, we will give the reason thereof within two days of the Bid Closing Date by way of a public notice in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed promptly. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Application under Rule 144A of the U.S. Securities Act

The Equity Shares are being offered and sold (i) within the United States to "qualified institutional buyers" in reliance on Rule 144A under the U.S. Securities Act and (ii) outside of the United States to non-U.S. Persons in reliance on Regulation S under the Securities Act **("Regulations S").** The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

ISSUE STRUCTURE

Public Issue of [●] Equity Shares for cash at a price of ` [●] per Equity Share including a share premium of ` [●] per Equity Share, aggregating ` 6,000 lakhs by the Company. The Issue shall constitute [●] % of the fully diluted post-Issue paid up capital of the Company.

The Issue is being made through the Book Building Process.

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Up to [●] Equity Shares.	Not less than [●] Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than [●] Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Percentage of Issue available for Allotment/Allocation	Up to 50% of the Issue shall be allocated to QIB Bidders. However, 5% of the QIB Portion shall be Available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Basis of allocation if respective category is oversubscribed*	Proportionate as follows: (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate.
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ` 2,00,000.	Such number of Equity Shares so that the Bid Amount exceeds ` 2,00,000.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ` 2,00,000.

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply **	Mutual Fund, Venture Capital Fund, FVCI, FIIs and sub-account registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), public financial institution as defined in section 4A of the Companies Act, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ` 2,500 lakhs, pension fund with minimum corpus of ` 2,500 lakhs, National Investment Fund, insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds setup and managed by the Department of Posts, India in accordance with applicable law	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals (including HUFs in the name of the Karta) and Eligible NRIs.
Terms of Payment	The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the ASBA Form.		

** Subject to valid Bids being received at or above the Issue Price. The Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue shall be allocated to QIB Bidders on a proportionate basis. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs. Further, not less than 15% of the Issue shall be available for allocation on proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.*

Subject to valid Bids being received at or above the Issue Price, under-subscription in any category, if any, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

*** In case the Bid cum Application Form or ASBA Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form or ASBA Bid cum Application Form, as the case may be.*

As per existing regulations promulgated under the FEMA, only Eligible NRIs on a repatriation basis or a non- repatriation basis subject to applicable laws are allowed to participate in the Issue. NRIs, other than Eligible NRIs are not permitted to participate in this Issue. Further, as per existing regulations, OCBs cannot participate in the Issue.

Letters of Allotment, refund orders or instructions to SCSBs

Our Company shall credit the Equity Shares to the valid beneficiary account with its Depository Participants within 12 Working Days from the Bid Closing Date to all successful Allottees including ASBA Bidders.

Please note that only Bidders having a bank account at any of the 68 centres where the clearing houses for the NECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said 68 centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 12 Working Days of the Bid Closing Date through registered post for refund orders less than or equal to ` 1,500 and through speed post/registered post for refund orders exceeding ` 1,500.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 12 Working Days from the Bid Closing Date.

Interest in case of delay in dispatch of refund orders or instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days from the Bid Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT or NECS, shall be done within 12 Working Days from the Bid Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 12 Working Days from the Bid Closing Date.
- It shall pay interest at 15% p.a. if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT or NECS, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid Closing Date or if instructions to

SCSBs to unblock funds in the ASBA Accounts are not given within 12 Working Days of the Bid Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Refund Banker(s) and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Bid/Issue Programme

BID OPENS ON	**SEPTEMBER 19, 2011**
BID CLOSES ON	**BID/ISSUE CLOSES ON SEPTEMBER 21, 2011 FOR QIB BIDDERS**
	BID/ISSUE CLOSES ON SEPTEMBER 21, 2011 FOR NON INSTITUTIONAL AND RETAIL INDIVIDUAL BIDDERS

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA Bid cum Application Form, the Designated Branchesor the Syndicate/Sub-syndicate members (at ASBA Bidding Locations) **except that:**

(i) in case of Bids by QIBs under the QIB Portion, the Bids shall be accepted only between 10.00a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date;

(ii) in case of Bids by Non-Institutional Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date; and

(iii) in case of Bids by Retail Individual Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Bid Closing Date, which may be extended upto such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by Book Running Lead Manager to the Stock Exchanges within half an hour of such closure.

Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

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

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times mentioned in the Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in pubic offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLM,

Syndicate Members and the SCSB will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received upto the closure of the time period for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

Our Company in consultation with the Book Running Lead Manager, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. The cap shall not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bidding Period shall be extended for at least three additional Working Days after such revision, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager and the terminals of the other members of the Syndicate.In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of ` 5,000 to ` 7,000.

ISSUE PROCEDURE

This Chapter applies to all Bidders. Please note that all Bidders can participate in this Issue through the ASBA process. Furthermore, pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non-retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue.ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders (other than ASBA Bidders) are required to make payment of the full Bid Amount with the Bid-cum-Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSB.

Please note that the information stated/ covered in this section may not be complete and / or accurate and as such would be subject to modification/ change. Our Company and the BRLM would not be liable for any amendment, modification or change in applicable law, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

It may be noted that as per circular dated Oct 12, 2010 by SEBI, the Syndicate has been permitted to procure ASBA Bid-cum-Application Forms from the ASBA Bidders and submit the same to the SCSBs. The said SEBI Circular further states that the implementation of this circular would require some modification in existing processes and systems and such modifications shall be communicated in due course. We shall incorporate disclosures to this effect in the Red Herring Prospectus/ Prospectus to be filed for the Issue, once the requisite modifications to existing processes and systems are communicated or otherwise suggested by SEBI.

Pursuant to SEBI Circular bearing no. CIR/CFD/DIL/2/2011 dated May 16, 2011 Retail Individual Bidderscan Bid at a price net of the Retail Discount (if any) and will be required to indicate the Bid price beforeadjustments for such Retail Discount, if any.

Book Building Procedure

The Issue is being made through the 100% Book Building Process. In terms of Rule 19(2)(b)(i) of the SCRR, this being an Issue for at least 25% of the post Issue share capital, up to 50% of the Issue shall be Allotted to QIBs on a proportionate basis. Out of the QIB Portion, 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Any Bidder may participate in this Issue through the ASBA process by providing the details of their respective bank accounts / bank account held by a third party (subject to conditions as set forth hereinbelow) in which the corresponding Bid amounts will be blocked by SCSBs. Non- retail investors are mandatorily required to make use of the ASBA facility. All Bidders including ASBA Bidders can submit their Bids through the Syndicate (at ASBA bidding locations). Pursuant to SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011, the Syndicate/ sub-syndicate members may procure the ASBA Bid cum Application Form from investors in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat and submit the same to the SCSB. Syndicate/ sub-syndicate members are required to upload the bid and other relevant details of the ASBA BidcumApplication Form in the electronic bidding system provided by the Stock Exchanges and forward the same to the SCSBs.

In case of QIB Bidders, the Company, in consultation with the BRLM, may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be

communicated to the QIB Bidder at the time of rejection of the Bid. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company would have a right to reject the Bids only on technical grounds. The identity of QIBs bidding in the Issue under QIB Portion shall not be made public.

All Bidders other than ASBA Bidders are required to submit their Bids through the members of Syndicate. Bids by QIBs, except ASBA bidders will only have to be submitted to members of the Syndicate or their affiliates. ASBA Bidders are required to submit their Bids to SCSBs.

Investors should note that the Allotment will only be in dematerialised form. The Bid cum Application Forms or ASBA Forms, as the case may be, which do not have the details of the Bidders' depository account including Depository Participant Identity **("DP ID"),** Permanent Account Number **("PAN")** and Beneficiary Account Number shall be treated as incomplete and rejected. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bidders are required to ensure that the PAN (of the sole/ first Bidder) provided in the Bid cum Application Form or the ASBA Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. If the Bid cum Application Form or the ASBA Bid cum Application Form was submitted in joint names, Bidders are required to ensure that the beneficiary accounts are held in the same joint names in the same sequence in which they appeared in the Bid cum Application Form or the ASBA Bid cum Application Form.

Bid cum Application Form and ASBA Bid cum Application Form

The prescribed colour of the Bid cum Application Form and ASBA Bid cum Application Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form/ ASBA Bid cum Application Form
Resident Indians (Resident QIBs, Non-Institutional Investors and Resident Individuals) and Eligible NRIs applying on a non-repatriation basis (ASBA and non ASBA)	White
Eligible NRIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), FVCIs and multilateral and bilateral financial institutions and other Non-Residents including Non-Institutional Investors, applying on a repatriation basis (ASBA and non ASBA)	Blue

Bidders, other than ASBA Bidders, are required to submit their Bids through the Syndicate. Bidders (excluding ASBA Bidders) shall only use the specified Bid cum Application Form bearing the stamp of a member of a Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. Non- retail Bidders shall use the specified ASBA Bid cum Application Form, indicating the mode of payment option as being “ASBA” obtained from any member of the Syndicate, for the purpose of making a Bid in terms of the Red Herring Prospectus.Before being issued to the Bidders, other than ASBA Bidders, the Bid cum Application Forms shall be serially numbered and date and time stamped at the Bidding Centres and such form shall be issued in duplicate signed by the Bidder and countersigned by a member of the Syndicate. The Bid cum Application Form shall contain information about the Bidder, the price and the number of Equity Shares that the Bidder wishes to Bid for. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. The ASBA Bid cum Application Form will also be available on the websites of the Stock Exchanges at least one day prior to the Bid Opening Date and shall bear a unique application number. The Book Running Lead Manager and the SCSBs will provide the hyperlink to BSE or NSE on their websites.

Upon filing of the Prospectus with the RoC, the Bid cum Application Form or ASBA Bid cum Application Form, as the case may be,shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder, other than ASBA Bidders, is deemed to have authorised our Company to make the necessary changes in the

Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

Bidders can also submit their Bids through ASBA by submitting ASBA Forms, obtained from the Designated Branches or any members of the Syndicate, to the SCSB with whom the ASBA Account is maintained, or to a member of the Syndicate (Syndicate / Sub - syndicate members at the ASBA Bidding Locations may procure the ASBA Bid cum Application Form from investors and submit the same to SCSBs) authorising blocking of funds that are available in the ASBA Account. ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application Form at the relevant Designated Branch. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Bid cum Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Bid cum Application Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India, who are not minors, or in the names of their minor children as natural/ legal guardians, in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta.* The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/ ASBA Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta".* Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to compliance with applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and their Sub-Accounts, other than a Sub-Account which is a foreign corporate or foreign individual, in the QIB Portion;
- Sub-Accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Funds registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of ` 2,500 lakhs and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of ` 2,500 lakhs and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund;
- Insurance Funds setup and managed by Department of Posts, India
- Limited Liability Partnership;
- Insurance funds set up and managed by the army, navy or air force of the Union of India; and

- All other persons eligible to invest under all applicable laws, rules, regulations and guidelines. In accordance with the FEMA and the regulations framed thereunder, OCBs cannot Bid in the Issue.

Participation by associates and affiliates of the Book Running Lead Manager and Syndicate Members

The BRLM and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and Syndicate Member may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Bidders are advised to ensure that any single Bid from them does not exceed the investments limits or maximum number of Equity Shares that can be held by them under applicable laws, rules, regulations, guidelines and approvals.

Participation by eligible/permitted Sub-Accounts which are foreign corporates or foreign individuals

Eligible/permitted Sub-Accounts which are foreign corporates or foreign individuals may Bid in the Non-Institutional Portion, subject to receipt of appropriate approvals from applicable regulatory authorities.

Bids by Mutual Funds

5% of the QIB Portion is available to be allocated to Mutual Funds on a proportionate basis, subject to receipt of valid Bids.

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms/ ASBA Bid cum Application Forms have been made available for Eligible NRIs on a repatriation basis at the Registered Office and with the members of the Syndicate.

2. Eligible NRI applicants may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for Resident Indians.

Bids by FIIs

Under the extant law, the issue of Equity Shares to a single FII cannot exceed 10% of our post-Issue paid-up equity share capital. In respect of an FII investing in our Equity Shares on behalf of its Sub-Accounts, the investment on behalf of each Sub-Account shall not exceed 10% of our total issued equity share capital or 5% of our total issued equity share capital in case such Sub-Account is a foreign corporate or an individual permitted to make investments. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. The said 24% limit can be increased upto 100% by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company. Our Company has not obtained board or shareholders' approval to increase the FII limit to more than 24%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the **"SEBI FII Regulations"),** an FII or its Sub-Account may issue, deal or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or Sub-Account is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters, including the Book Running Lead Manager and Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them. Any such offshore derivative instrument does not constitute any obligation or claim on or interest in, our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 *inter alia* prescribe the investment restrictions on VCFs and FVCIs.

Accordingly, the holding by any individual VCFs in one company should not exceed 25% of the corpus of the said VCF, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, VCFs and FVCIs can invest only upto 33.33% of their investible funds by way of subscription to an initial public offer of a venture capital undertaking.

Further, according to the SEBI Regulations, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the Red Herring Prospectus with SEBI.

Bids by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part without assigning reasons thereof.

Bids made by Provident Funds

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of ` 2,500 lakhs and pension funds with minimum corpus of ` 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Bids by Limited liability partnership

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, Directors and officers, affiliates, associates, their respective directors and officers and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, Directors and officers, affiliates, associates, their respective directors and officers or the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this RHP. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

1. **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ` 2,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ` 2,00,000. In case the Bid Amount is over ` 2,00,000 due to revision of the Bid or revision of the Price Band or on exercise of bidding at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The bidding at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

2. **For Non-Institutional Bidders and QIBs:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ` 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **Under the SEBI Regulations a QIB cannot withdraw its Bid after the Bid Closing Date and is required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs bidding in the Issue under QIB Portion shall not be made public.

   In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the revised Bid Amount is greater than ` 2,00,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ` 2,00,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

The above information is given for the benefit of the Bidders. Bidders are advised to make independent enquiries and ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information in relation to applicable investment limits or number of Equity Shares that can be held by them stated herein.

Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus.

Refund amounts following a permitted withdrawal of a Bid shall be paid in the manner described under paragraph "Payment of Refund".

Information for Bidders:

a) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid

Opening Date.

b) Our Company and the Book Running Lead Manager shall declare the Bid Opening Date, Bid Closing Date and Bid Closing Date at the time of filing the Red Herring Prospectus to be registered with the RoC and also publish the same in an English and a Hindi national newspaper, and one regional newspaper, each with wide circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed under applicable SEBI Regulations. Further, the Price Band and the minimum bid lot as decided by our Company in consultation with the Book Running Lead Manager, including the relevant financial ratios computed for both the Cap Price and the Floor Price and shall be published at least two Working Days prior to the Bid Opening Date in English and Hindi national newspapers, each with wide circulation.

c) Copies of the Bid cum Application Form and the ASBA Bid cum Application Form, at the request of potential Bidders, copies of the Red Herring Prospectus will be available with the members of the Syndicate and at our Registered Office.

d) Any investor (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office or from the members of the Syndicate.

   Eligible investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, Syndicate Members or their authorised agent(s) to register their Bids. ASBA bidders should approach the SCSBs to register their Bids.

e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms without the stamp of the member of the Syndicate will be rejected.

f) The identity of QIBs making the Bid shall not be made public.

g) With effect from August 16, 2010, the demat accounts of Bidders for whom PAN details have not been verified excluding (i) persons resident in the state of Sikkim; (ii) the Central or State Governments and the (iii) officials appointed by the courts, who, may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

Bidders may note that in case the Depository Participant identification number, client identification number of the demat account of the Bidder, and PAN mentioned in the Bid cum Application Form or the ASBA Form, as the case may be and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member do not match with the Depository Participant identification number, client identification number of the demat account of the Bidder, and PAN available in the Depository database, the application Bid cum Application Form or the ASBA Form, as the case may be is liable to be rejected.

Information specific to ASBA Bidders

1. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches, BRLM or the members of the Syndicate. ASBA Bidders can also obtain a copy of the Red Herring Prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs. **ASBA Forms can also be downloaded from the website of the BSE -** www.bseindia.com or the NSE – www.nseindia.com.

2. The Bids should be submitted to the SCSBs, the members of the Syndicate (and, in the ASBA Bidding Locations, by members of the Sub - syndicate) on the prescribed ASBA Bid cum Application Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.The Syndicate/ sub-syndicate members are required to upload the bid and other relevant details of the ASBA Bid cum Application Form in the electronic bidding system provided by the stock exchanges and forward the same to the SCSBs.

3. The SCSBs shall accept Bids only during the Bidding Period and only from the ASBA Bidders.

4. The Book Running Lead Manager shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the members of the Syndicate and to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in this Issue through the ASBA process. Additionally, the Book Running Lead Manager shall ensure that the SCSBs are provided with soft copies of the abridged prospectus as well as the ASBA Forms and that the same are made available on the websites of the SCSBs.

5. The ASBA Form shall bear the stamp of the SCSBs and/or the Designated Branch, if not, the same shall be rejected.

6. The ASBA Bid cum Application Form will also be available on the websites of the Stock Exchanges at least one day prior to the Bid Opening Date and shall bear a unique application number. The Book Running Lead Manager and the SCSBs will provide the hyperlink to BSE or NSE on their websites.

7. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the applicable Designated Branch or members of the Syndicate/ sub-syndicate members in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat. In case the amount available in the bank account specified in the ASBA Bid cum Application Form is insufficient for blocking the amount equivalent to the Bid Amount, the SCSB shall reject the Bid.

8. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

Method and Process of Bidding

a) Our Company in consultation with the Book Running Lead Manager will decide the Price Band and the minimum Bid lot for the Issue and the same shall be advertised in one English, one Hindi national newspapers, and one regional newspaper, each with wide circulation at least two Working Days prior to the Bid Opening Date. The members of Syndicate and the SCSBs shall accept Bids from the Bidders during the Bidding Period.

b) The Bidding Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bidding Period maybe extended, if required, by an additional three Working Days, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be published in English and Hindi national newspapers, and one regional newspaper, each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the other members of the Syndicate.

c) During the Bidding Period, Bidders who are interested in subscribing for the Equity Shares should approach the members of Syndicate or their authorised agents to register their Bid. The members of Syndicate shall accept Bids from all other Bidders and have the right to vet the Bids during the Bidding Period in accordance with the terms of the Red Herring Prospectus and the Syndicate Agreement. QIB and Non Institutional Bidders must necessarily use the ASBA process and Bidders using the ASBA facility to submit their Bids should approach the Syndicate members or Designated Branches of the SCSBs (at ASBA Bidding Locations) to register their Bids. Eligible Bidders who propose to use the ASBA process shall approach the members of the Syndicate, their authorised agents or the Designated Branches of the SCSBs (at ASBA Bidding Locations) to register their Bids.*

Bidders are advised not to submit the Bid cum Application Form to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.

ASBA Bidders are required tosubmit their Bids either in physical or electronic mode to SCSBs or to the Syndicate/ sub-syndicate members (at ASBA Bidding Locations) in designated cities. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form should submit their Bids using the internet enabled bidding and banking facility of the SCSBs for bidding and blocking funds in the accounts of the bank account maintained with the SCSB specified in the ASBA Bid cum Application Form, and accordingly registering such Bids. Every Designated Branch of the SCSBs shall accept Bids from all such investors who wish to place Bids through them and the account in which funds are to be blocked is maintained with them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI ICDR Regulations and the Red Herring Prospectus.

The Designated Branches of the SCSBs shall provide to the ASBA Bidders an acknowledgment specifying the application number as proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares Bid for shall be allocated to the ASBA Bidders.

ASBA Bidders in ASBA Bidding Locations may also submit the ASBA Bid cum Application Form to the Syndicate/ sub-syndicate members. Each such Syndicate/ sub-syndicate member shall provide to the ASBA Bidders an acknowledgement as proof of acceptance of the ASBA Bid cum Application Form. The Syndicate/ sub-syndicate members are required to upload the bid and other relevant details of the ASBA Bid cum Application Form in the electronic bidding system provided by the stock exchanges and forward the same to the SCSBs.

d) Each Bid cum Application Form and/ or the ASBA Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form and/ or the ASBA Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

e) Each Bidder should submit only one Bid (either ASBA or non ASBA). Multiple Bids (as defined under *"Multiple Bids"* on page 310 of the Red Herring Prospectus, are liable to be rejected.

f) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in *"Escrow Mechanism - Escrow mechanism, terms of payment and payment into the Escrow Accounts"* on page 296 of the Red Herring Prospectus.

g) The members of the Syndicate or the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form or ASBA Bid cum Application Form.

h) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges. The SCSBs may reject the Bid if sufficient funds are not available in the ASBA Account of the Bidder.

i) If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

k) The Bid Amount shall remain blocked in the ASBA Account until finalisation of the basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Form, as the case may be. Once the basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to the Equity Shares to be allotted to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

a) Our Company, in consultation with the Book Running Lead Manager and without prior intimation to or approval from the Bidders, reserves the right to revise the Price Band during the Bidding Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed at least two days prior to the Bid Opening Date and the Cap Price will be revised accordingly.

b) The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may bid at the Cut-off Price. However, bidding at Cut-off Price is not permitted for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

c) Retail Individual Bidders who Bid at Cut-off Price should note that they are required to purchase the Equity Shares at the Issue Price. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price. ASBA Bidders, under the categories eligible to Bid at Cut-off Price, need to instruct the SCSBs (directly or through ASBA Bid cum Application Forms submitted to the Syndicate members) to block an amount based on the Cap Price.

d) When a Bidder has revised his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the Bidder's responsibility to request for and obtain the revised TRS, which will act as proof of revision of the previous Bid.

e) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB or the Syndicate/ sub-syndicate member (such Syndicate/ sub-syndicate member to further instruct the relevant SCSB) to whom the original Bid was submitted shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see the chapter titled *"Issue Procedure -Payment Instructions"* on page 307 of the Red Herring Prospectus.

Electronic Registration of Bids

a) The members of Syndicate and SCSBs will register the Bids on Working Days using the on-line facilities of the Stock Exchanges. There will be at least one terminal offering on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted. The

Book Running Lead Manager, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, (iii) the Bids accepted but not uploaded by the SCSBs or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account. The Book Running Lead Manager and the SCSBs shall be responsible for any error in the Bid details uploaded by them*.

Bidders are advised not to submit the Bid cum Application Form to Escrow Collection Banks and the same will be rejected in a such cases and the Bidders will not be entitled to any compensation whatsoever.

b) The members of Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid Closing Date.

c) In case of apparent data entry error by either the members of Syndicate or the collecting bank in entering the Bid cum Application Form number in their respective schedules other things remaining unchanged, the Bid cum Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the Bid cum Application Form number by either the members of Syndicate or collecting bank leading to rejection of the Bid cum Application Form, the Registrar may identify based on the Bid cum Application Form, the entity responsible for the error.

d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available on the terminals of the members of Syndicate and their authorised agents and the SCSBs during the Bidding Period. The members of Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building Process on a regular basis. On the Bid Closing Date, the members of Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the members of Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Bidding Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.

e) At the end of each day during the Bidding Period, the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be uploaded on a regular basis, consolidated and displayed on-line at all Bidding Centres and the website of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at the Bidding Centres during the Bidding Period.

f) At the time of registering each Bid, other than ASBA Bids, the members of the Syndicate or the the Designated Branches, as the case may be, shall enter the following details of the Bidders in the on-line system:

- Name of the Bidder: Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form;
- Investor Category - Individual, Corporate, FII, NRI, Mutual Fund, etc.;
- PAN;
- Numbers of Equity Shares Bid for;
- Bid Amount;
- Bid cum Application Form number;
- Cheque amount and cheque number in case of non-ASBA Bidders and bank account details in case of ASBA Bidders; and
- DP ID and client identification number of the beneficiary account of the Bidder.

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches shall enter the following information pertaining to the Bidder into the on-line system:

- Name of the Bidder(s);
- ASBA Bid cum Application Form Number;
- PAN (of the First Bidder, in case of more than one Bidder);
- Investor category and sub-category;
- DP ID and Client ID;
- Beneficiary account number of Equity Shares Bid for;
- Quantity;
- Bid Amount;
- Cheque Amount;
- Cheque number;
- Bank account number.

In case of submission of the Bid by an ASBA Bidder through the electronic mode, the ASBA Bidder shall complete the above-mentioned details, except the ASBA Bid cum Application Form number which shall be system generated.

Details as uploaded in the online system will be considered as final and Allotment will be based on the same.

g) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of Syndicate or the Designated Branches. The registration of the Bid by the members of Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or our Company.

h) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

i) In case of QIBs bidding in the QIB Portion, the Book Running Lead Manager has the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed under the para titled - “Grounds for Technical Rejections" on page 311 of the Red Herring Prospectus. The Book Running Lead Manager may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds and in case of insufficient funds in the ASBA Account of the Bidder.

j) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoters, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

k) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate will be given upto one Working Day after the Bid Closing Date to verify the information uploaded in the online IPO system during the Bidding Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. If the Registrar finds any discrepancy in the DP name, DP ID and the Client ID, the Registrar will correct the same. In case of any discrepancy of data between the Stock Exchanges and the

members of the Syndicate or the Designated Branches, the decision of our Company in consultation with the Book Running Lead Manager and the Registrar, based on the physical records of the Bid cum Application Forms shall be final and binding on all concerned.

The BRLM, the Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commission in relation to Bids accepted by SCSBs or Syndicate members, Bids uploaded by SCSBs or Syndicate members, Bids accepted but not uploaded by SCSBs or Syndicate members, or Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

Build up of the book and revision of Bids

a) Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

b) The book gets built up at various price levels. This information will be available with the Book Running Lead Manager on a regular basis during the Bidding Period.

c) During the Bidding Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form/ASBA Revision Form, which is part of the Bid cum Application Form/ ASBA Bid cum Application Form.

d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form/ ASBA Revision Form. Apart from mentioning the revised options in the Revision Form/ ASBA Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form, ASBA Bid cum Application Form or earlier Revision Form/ ASBA Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form/ ASBA Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form/ ASBA Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form/ ASBA Revision Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Forms/ ASBA Revision Forms.

e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the members of Syndicate or the same SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form/ASBA Revision Form and the revised Bid must be made only in such Revision Form /ASBA Revision Form or copies thereof.

f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ` 2,00,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ` 2,00,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

h) Our Company, in consultation with the Book Running Lead Manager, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ` 5,000 to ` 7,000.

i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the members of Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the basis of Allotment. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus.

j) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the members of the Syndicate or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

k) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the Company in consultation with the Book Running Lead Manager based on the physical records of Bid Application Forms shall be final and binding on all concerned.

l) In the case of ASBA Bids, after the Bid Closing Date, the SCSBs shall provide to the Registrar to the Issue aggregate information relating to the total number of ASBA Bid cum Application Forms uploaded and the total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Forms. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs.

Price Discovery and Allocation

a) After the Bid Closing Date, based on the demand generated at various price levels and the book built, our Company in consultation with the Book Running Lead Manager shall finalise the Issue Price and the number of Equity Shares to be allotted in each investor category.

b) The allocation to QIBs will be up to 50% of the Issue and the availability for allocation to Non-Institutional and Retail Individual Bidders will not less than 15% and 35% of the Issue respectively, and, would be on proportionate basis, in the manner specified in the SEBI Regulations and the Red Herring Prospectus, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

c) Under-subscription in any category would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company in consultation with the members of the Syndicate and the Designated Stock Exchange. If the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to QIBs in proportion to their Bids.

d) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

e) Any oversubscription to the extent of 10% of this Issue can be retained for the purpose of rounding off and making allotments in minimum lots, while finalising the 'Basis of Allocation'.

f) QIBs Bidding in the QIB Portion shall not be allowed to withdraw their Bids after the QIB Bid Closing Date. Our Company, in consultation with the Book Running Lead Manager, reserve the right to reject any Bid procured from QIBs. Rejection of Bids made by QIBs, if any, will be made at the time of acceptance of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.

g) If an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bidding Period, the ASBA Bidder shall submit the withdrawal request to a Syndicate member the SCSB, through whom the applicant had placed the original bid, which shall perform the necessary actions, including deletion of details of the withdrawn ASBA Bid cum Application Form from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account.

h) If an ASBA Bidder, excluding QIB Bidder wants to withdraw the ASBA Bid cum Application Form after the Bid Closing Date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalisation of basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB once the basis of Allotment has been approved by the Designated Stock Exchange.

i) The basis of Allotment shall be put on the website of the Registrar to the Issue.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company and the members of the Syndicate shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, our Company will update the RHP filed with the ROC and file the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Pre-Issue Advertisement

The Company made a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper and a regional daily newspaper, each with wide circulation, where the Registered Office is situated, disclosing that the Draft Red Herring Prospectus has been filed with SEBI and inviting the public to give their comments to SEBI in respect of the disclosures made in the Draft Red Herring Prospectus.

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional daily newspaper where the Registered Office is situated.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, among others shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Designated Date and Allotment

a) Our Company will ensure that the Allotment and credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid Closing Date.

b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to this Issue.

Issuance of Allotment Advice

a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the Book Running Lead Manager or on Allotment by the Board of Directors or any committee constituted thereof or the Registrar to the Issue shall send to members of the Syndicate a list of their Bidders who have been or are to be Allotted Equity Shares, pursuant to the approval of basis of allocation. The investor should note that our Company shall issue instructions for demat credit of Equity Shares to all successful investors immediately post the date of Allotment.

b) The Registrar to the Issue will send an Allotment Advice to Bidders who have been or are to be Allotted Equity Shares, pursuant to the approval of the basis of Allotment.

c) The dispatch of an Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares Allotted to such Bidder.

Unblocking of ASBA Accounts

On the finalisation of the Basis of Allotment, the Registrar to the Issue shall send an appropriate request to the relevant SCSBs for unblocking the ASBA Accounts and for the transfer of requisite amount to the Public Issue Account. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any in the ASBA Account. The Bid Amount may also be unblocked in the ASBA Account in the event of withdrawal/failure of the Issue or withdrawal or rejection of the ASBA Bid, as the case may be. Instructions for unblocking of the ASBA Accounts will be made within 12 Working Days from the Bid Closing Date.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form;

(d) Ensure that you have submitted a cheque for an Application Amount corresponding to you highest Bid Option;

(e) Ensure that the details about your PAN, the Depository Participant and the beneficiary account are correct and the beneficiary account is activated as Allotment will be in the dematerialised form only;

(f) Ensure that the Bid cum Application Forms submitted at the Bidding Centres bear the stamp of the members of the Syndicate and that the full Bid Amount is paid for the Bids submitted to the Syndicate;

(g) Ensure that you have been given a TRS for all your Bid options, including Revised Bids, if applicable;

(h) Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court and by residents of Sikkim, all Bidders should mention their PAN allotted under the IT Act;

(i) Ensure that the Demographic Details in you Depository Account are updated, true and correct in all respects;

(j) Ensure that the names given in the Bid cum Application Form is exactly the same as the names available in the depository database. In case the Bid cum Application Form is submitted in joint

names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate or its affiliates;

(d) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to the members of the Syndicate only;

(f) Do not bid at Cut-off Price (for QIBs and Non-Institutional Bidders, for Bid Amount in excess of ` 2,00,000);

(g) Do not Bid for a Bid Amount exceeding ` 2,00,000 (for Bids by Retail Individual Bidders);

(h) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and

(j) Do not Bid for allotment of Equity Shares in physical form.

(k) Do not submit Bid cum Application Form to the Escrow Collection Banks.

(l) Do not submit Bids without the full Bid Amount.

INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do's:

a) Check if you are eligible to Bid under ASBA.

b) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA.

c) Read all the instructions carefully and complete the ASBA Bid cum Application Form.

d) Ensure that your ASBA Bid cum ApplicationForm is submitted at a Designated Branch where the ASBA Account is maintained and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue or the members of the Syndicate.

e) Ensure that the ASBA Bid cum ApplicationForm is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder.

f) Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.

g) Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the ASBA Bid cum ApplicationForm to the respective Designated Branch.

h) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum ApplicationForm, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid

Amount mentioned in the ASBABid cum Application Form.

i) Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Bid cum ApplicationForm.

j) Ensure that the name(s) given in the ASBA Bid cum ApplicationForm is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid cum ApplicationForm is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum ApplicationForm.

Don'ts:

a) Do not Bid on another ASBA Bid cum ApplicationForm or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch.

b) Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA.

c) Do not send your physical ASBA Bid cum ApplicationForm by post. Instead submit the same to a Designated Branch.

d) Do not submit more than five ASBA Bid cum Application Forms per bank account;

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM AND ASBA FORMS

a) Bid and revision of Bids must be made by QIBs and Non-Institutional Bidders only through the ASBA process in this Issue. Retail Individual Bidders have an option to Bid through the ASBA process. ASBA Bidders are required to submit their Bids to the members of the Syndicate at the Syndicate ASBA Bidding Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) or to the SCSBs. Bidders other than ASBA Bidders are required to submit their Bids to the members of the Syndicate.

b) Bid cum Application Forms, ASBA Bid cum Application Forms or Revision Forms/ ASBA Revision Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus. Incomplete Bid cum Application Forms, ASBA Bid cum Application Forms or Revision Forms/ ASBA Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms, ASBA Bid cum Application Forms or Revision Forms/ ASBA Revision Forms.

c) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

d) Bidders should correctly mention their name, DP ID and Client ID in the Bid cum Application Form, or the ASBA Form, as the case may be. For the purpose of evaluating the validity of Bids, the Demographic Details of Bidders shall be derived from the name, DP ID and Client ID mentioned in the Bid cum Application Form, or the ASBA Form, as the case may be.

e) Information provided by the Bidders will be uploaded in the online IPO system by the Book Running Lead Manager and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

f) Bids through ASBA must be:

- made only in the prescribed ASBA Bid cum Application Form or ASBA Revision Forms (if submitted in physical mode) or the electronic mode.

- made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).

- completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.

g) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the ASBA Form.

h) For ASBA Bidders, the Bids in physical mode should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

i) For Retail Individual Bidders (including Eligible NRIs), the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ` 2 lakhs. In case the Bid Amount is over ` 2 lakhs due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The option to Bid at cut-off price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

j) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [●] thereafter such that the Bid Amount exceeds ` 2 lakhs. Bids cannot be made for over the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of equity shares that can be held by them under the applicable laws or regulations.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, Depository Participant's name, Depository Participant-Identification number and beneficiary account number provided by them in the Bid cum Application Form or ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Bidders. These bank account details would be used for giving refunds (including through physical refund warrants, Direct Credit, NECS and NEFT) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch / credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the members of the Syndicate or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM OR ASBA BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE BID CUM APPLICATION FORM OR ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE BID CUM APPLICATION FORM OR ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM OR ASBA BID CUM APPLICATION FORM.

These demographic details would be used for all correspondence with the Bidders including mailing of anAllotmentAdvice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum

Application Form or ASBA Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form or ASBA Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/AllotmentAdvice would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/AllotmentAdvice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidders sole risk and neither our Company, Escrow Collection Banks, Registrar to the Issue nor the Book Running Lead Manager shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole/First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non Residents including Eligible NRIs, FIIs and FVCIs registered with SEBI on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form, ASBA Bid cum Application Form or the Revision Form/ ASBA Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of upto` 2,00,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ` 2,00,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form or the ASBA Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.
There is no reservation for Eligible NRIs, FIIs, FVCIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

By limited companies, corporate bodies, registered societies

A certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

By FIIs, FVCIs, VCFs and Mutual Funds

A certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted along with the Bid cum Application Form or ASBA Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason.
Our Company at its absolute discretion reserves the right to relax the above conditions of simultaneous lodging of the powers of attorney, subject to the terms and conditions that our Company in consultation with the Book Running Lead Manager deems fit.

ASBA Bidders

In case of an ASBA Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, reserves the right to reject such Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be, subject to such terms and conditions that our Company and the Book Running Lead Manager may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non- retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue.

Our Company and the Book Running Lead Manager shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Bidders, shall maintain the monies in the Escrow Account. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs)from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Book Running Lead Manager, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch or the Syndicate / Sub - syndicate Member, (at the ASBA Bidding Location) whether in physical or electronic mode, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as

would be required by RoC after such filing without prior or subsequent notice of such changes to the ASBA Bidders.

Upon submission of an ASBA Bid cum Application Form with the SCSBor the Syndicate / Sub - syndicate Member, (at the ASBA Bidding Location) whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch to block such Bid Amount in the ASBA Account. An ASBA Bid cum Application Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

The ASBA Bidders shall specify the ASBA Account number in the ASBA Bid cum Application Form and the relevant SCSB shall block an amount equivalent to the application money in the ASBA Account specified in the ASBA Bid cum ApplicationForm. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount. On the Designated Date, SCSBs will also transfer the funds represented by allocation of Equity Shares from the respective ASBA Accounts to the Public Issue Account. In the event of withdrawal or rejection of the ASBA Bid cum ApplicationForm or for unsuccessful ASBA Bid cum ApplicationForms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Bid Closing Date. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the basis of Allotment and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Bidders should note that the escrow mechanism is neither provided under any law or regulation nor has been prescribed by SEBI. The escrow mechanism has been established as an arrangement amongst our Company, the Book Running Lead Manager, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account for Bidders other than ASBA Bidders

Escrow Accounts shall be opened for the collection of the Bid Amounts payable upon submission of the Bid cum Application Forms and for amounts payable pursuant to allocation/Allotment.

Each Bidder shall draw a cheque or demand draft mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid will be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of Resident Retail Bidders: "Escrow Account - PCL Public Issue - R";

- In case of Non-Resident Retail Bidders: "Escrow Account - PCL Public Issue - NR"; and

4. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

6. In case of Bids by FIIs/ FVCIs / multilateral and bilateral financial institutions, the payment should be made out of funds held in a 'Special Rupee Account' along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the 'Special Rupee Account'.

7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

9. On the Designated Date and no later than 12 Working Days from the Bid Closing Date, the Refund Bankers shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on Bidding, if any, after adjusting for basis of Allotment in relation to such Bidders.

10. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

11. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Bank(s), such Bids are liable to be rejected.

Payment by cash / stockinvest / money order

Payment through cash / stockinvest / money order shall not be accepted in this Issue.

Submission of Bid cum Application Form and ASBA Bid cum Application Forms

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the Designated Branchesor the member of the Syndicate at the relevant Designated Branch or the relevant member of the Syndicate at Syndicate ASBA Bidding Locations, respectively.In case the ASBA Bidder submits its Bid through a member of the Syndicate at a Syndicate ASBA Bidding Location, the Bid will be uploaded by that member of the Syndicate in the electronic bidding system of the Stock Exchanges and the Bid cum Application Form will then be forwarded to the concerned SCSB for further action including signature verification and blocking of funds. In case of application in electronic form, the ASBA Bidder shall submit the Bid cum Application Form either through the internet banking facility available with the SCSBs, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with the SCSB, and accordingly register such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form / ASBA Bid cum Application Form or Revision Form/ ASBA Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms/ ASBA Bid cum Application Form or Revision Forms/ ASBA Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the demographic details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid. In this regard, all Bids will be checked for common PAN as per Depository records and all such bids will be treated as multiple bids and are liable to be rejected. Two or more Bids will also be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

After Bidding on an ASBA Form either in physical or electronic mode, where such ASBA Bid has been submitted to the Designated Branches and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Form or a Bid cum Application Form. Submission of a second application form, whether an ASBA Form to either the same or to another Designated Branch, or a Bid cum Application Form to the members of the Syndicate, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in *"Build up of the Book and Revision of Bids"* on page 299 of the Red Herring Prospectus.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid cum Application Form or ASBA Bid cum Application Form and create an address master.

4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will

be treated as multiple applications.

5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

Cases where there are more than 20 valid applicants having a common address shall be reported to the Stock Exchanges and other appropriate regulatory authorities such as the SEBI and such Equity Shares will be kept in abeyance post Allotment and will be released on receipt of appropriate confirmation from such authorities.

Permanent Account Number or PAN

Except for bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form or ASBA Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field and whether the PAN flag has been enabled.

Withdrawal of ASBA Bids

ASBA Bidders (other than QIBs) can withdraw their Bids during the Bidding Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.
In case an ASBA Bidder (other than a QIB bidding through an ASBA Form) wishes to withdraw the Bid after the Bid Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after finalization of the 'Basis of Allocation'.

REJECTION OF BIDS

In case of QIBs, our Company in consultation with the Book Running Lead Manager may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made through any of the modes described in theRed Herring Prospectusand will be sent to Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's ASBA Account. Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Applications by QIBs and Non Institutional Bidders which are not made through the ASBA facility;
- Bids made without payment of entire Bid Amount or the amount paid does not tally with the Bid Amount;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such, except a Limited Liability Partnership, shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form or ASBA Bid cum Application Form, except for bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim provided such claims have been verified by the Depository Participants;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Bids or revision thereof by QIBs and Non-Institutional Bidders, uploaded after 4.00 p.m. on the Bid Closing Date;
- Submission of more than five ASBA Bid cum Application Forms per ASBA Account;
- Bids at Cut-off Price by Non-Institutional and QIBs for a value of more than ` 2,00,000;
- Bids for a value of more than ` 2,00,000 by Bidders falling under the category of Retail Individual Bidders;
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- ASBA Forms not being signed by the account holders, if the account holder is different from the Bidder;
- Bid cum Application Forms and ASBA Bid cum Application Forms does not have the stamp of the members of the Syndicate or the SCSB and/or the Designated Branch, as the case may be;
- Bid cum Application Forms and ASBA Bid cum Application Forms do not have Bidder's depository account details;

- Bid cum Application Forms and ASBA Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms and ASBA Bid cum Application Forms, Bid Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms and ASBA Bid cum Application Forms;

- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary's account number;

- With respect to ASBA Bids, inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;

- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

- Authorisation for blocking funds in the ASBA Account not ticked or provided;

- Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account.

- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;

- Bids for allotment of Equity Shares in physical form;

- Bids by persons in the United States, other than 'qualified institutional buyers' as defined in Rule 144A of the Securities Act;

- Bids not uploaded on the terminals of the Stock Exchanges; and

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

- In case of ASBA Bid cum Application Forms submitted to the members of the Syndicate, if the SCSB whose name has been included in the ASBA Bid cum Application Form does not have a branch at the relevant ASBA Bidding Locations, as displayed on the websites of SEBI, to accept the ASBA Bid cum Application Forms;

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM OR ASBA FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES OR THE MEMBERS OF THE SYNDICATE /THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE BID IS LIABLE TO BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Agreement, dated April 21, 2011 between NSDL, our Company and the Registrar to the Issue.
2. Agreement, dated March 22, 2011 between CDSL, our Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form, ASBABid cum Application Form, Revision Form or ASBA Revision Form.

c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

d) Names mentioned in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form, ASBA Bid cum Application Form or Revision Form/ ASBA Revision Form, it is liable to be rejected.

f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form or ASBA Bid cum Application Form vis-a-vis those with his or her Depository Participant.

g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with NSDL and CDSL.

h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

i) With effect from August 16, 2010, the demat accounts of Bidders for whom PAN details have not been verified shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid cum Application Form or ASBA Bid cum Application Form number, Bidders' Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form or ASBA Bid cum Application Form, name and address of the members of the Syndicate or the Designated Branch where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIBs shall be available for Allotment to Retail Individual Bidders who have Bid at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis upto a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis upto a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs in the QIB Portion

- Bids received from the QIBs bidding in the QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  a) In the first instance allocation to Mutual Funds for upto 5% of the QIB Portion shall be determined as follows:

  i. In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for upto 5% of the QIB Portion.

ii. In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

iii. Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;

b) In the second instance Allotment to all QIBs shall be determined as follows:

i. In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for upto 95% of the QIB Portion.

ii. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs.

iii. Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

- The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiple of one Equity Share thereafter. For the method of proportionate basis of Allotment refer below.

Method of Proportionate Basis of Allotment

In the event of the Issue being over-subscribed, our Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Book Running Lead Manager and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Regulations.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder shall be allotted a minimum of [●] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if

that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA Bidders will be that applicable to non-ASBA Retail Individual Bidders, Non-Institutional Bidders and QIB Bidders, as applicable. ASBA Bidders who are Retail Individual Bidders (including HUFs) and who have Bid for Equity Shares for an amount less than or equal to ` 2 lakhs in any of the Bidding options in the Issue, will be categorised as Retail Individual Bidders. ASBA Bidders that are not Retail Individual Bidders and who have Bid for Equity Shares for an amount over ` 2 lakhs will be categorised as Non-Institutional Bidders or QIBs, as the case may be. No preference shall be given to ASBA Bidders vis-à-vis non-ASBA Bidders and vice versa.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No	Particulars	Issue details
1	Issue size	200 lakhs Equity Shares
2	Allocation to QIB (not more than 50% of the Issue)	100 lakhs Equity Shares
	Of which:	
	a. Reservation For Mutual Funds, (5%)	5 lakhs Equity Shares
	b. Balance for all QIBs including Mutual Funds	95 lakhs Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	500 lakhs Equity Shares

B. Details of QIB Bids

Sr. No	Type of QIB bidders #	No. of shares bid for (in lakhs)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	TOTAL	500

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. **Details of Allotment to QIB Bidders/ Applicants**

(Number of equity shares in lakhs)

Type of QIB bidders	Shares bid for	Allocation of 5 lakhs Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95 lakhs Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	**5**	**95**	42.42

Please note:

1. The illustration presumes compliance with the requirements specified in the Red Herring Prospectus in the chapter titled “Issue Structure” beginning on page 282 of the Red Herring Prospectus.

2. Out of 100 lakhs Equity Shares allocated to QIBs, 5 lakhs (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 shares in the QIB Portion.

3. The balance 95 lakhs Equity Shares [i.e. 100 - 5 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 500 Equity Shares (including 5 Mutual Fund applicants who applied for 200 Equity Shares).

4. The figures in the fourth column titled “Allocation of balance 95 lakhs Equity Shares to QIBs proportionately” in the above illustration are arrived as under:
   (a) For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for X 95 /495
   (b) For Mutual Funds (MF1 to MF5) = [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95/495
   (c) The numerator and denominator for arriving at allocation of 95 lakhs Equity Shares to the 10 QIBs are reduced by 5 lakhs shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Refund orders or instructions to the SCSBs

Our Company shall give credit to the beneficiary account with depository participants within 12 Working Days from the Bid Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through Direct Credit and NEFT. Our Company shall ensure dispatch of refund orders, if any, of value upto ` 1,500, by registered post, and shall dispatch refund orders above ` 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 12 Working Days from the Bid Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days from the Bid Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days from the Bid Closing Date.

Interest in case of delay in dispatch of refund orders or instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days from the Bid Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT or NECS, shall be done within 12 Working Days from the Bid Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 12 Working Days from the Bid Closing Date.
- It shall pay interest at 15% p.a. if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT or NECS, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 12 Working Days from the Bid Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Refund Banker(s) and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the PAN of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition **("MICR")** code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the members of the Syndicate shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS - Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the centres where such facility has been made available, except where the applicant, being eligible, opts to receive refund through Direct Credit or NEFT."

2. Direct Credit - Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through Direct Credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. NEFT - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has

been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

4. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through registered post for value upto` 1,500 and through Speed Post/ Registered Post for refund orders of ` 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days from the Bid Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days of the Bid Closing Date.

In case of applicants who receive refunds through NECS or Direct Credit, the refund instructions will be given to the clearing system within 12 Working Days from the Bid Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 12 Working Days of Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days from the Bid Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days from the Bid Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions would be given to the clearing system within 12 Working Days from the Bid Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within 12 Working Days from the Bid Closing Date.

Our Company shall pay interest at 15% p.a. for any delay beyond the 10 Working Days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been

given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the time prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar to the Issue.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days from the Bid Closing Date;

- That the Company shall apply in advance for the listing of securities;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days from the Bid Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought in pro rata basis before the calls are made on public.

- That the Allotment Advice to the non-resident Indians shall be dispatched within specified time;

- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under subscription etc.; and

- That adequate arrangement shall be made to collect all ASBA Bid cum Application Forms and to consider them similar to non-ASBA applications while finalising the basis of Allotment.

Withdrawal of the Issue

Our Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue anytime after the Bid Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws. If our Company withdraws the Issue after the closure of bidding, our Company shall be required to file a fresh Draft Red Herring Prospectus with SEBI.

Utilisation of Issue proceeds

The Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the

time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested; and

- Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the Proceeds of the Issue.

Subscription by foreign investors (NRIs/FIIs)

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

There is no reservation for Eligible NRIs and FIIs registered with SEBI. All Eligible NRIs and FIIs will be treated on the same basis with other categories for the purpose of allocation.

SECTION VIII – RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("**FDI"**) Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("**DIPP"**) by circular 2 of 2010, with effect from October 1, 2010, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP.

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("**FDI"**) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.

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SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and SEBI Regulation, the main provisions of our Articles relating tovoting rights, dividends, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debenturesand/or on their consolidation are detailed below. Please note that each provision herein below is numbered as perthe corresponding article number in our Articles and capitalized/defined terms herein have the same meaninggiven to them in our Articles.

The regulations contained in Table "A" in the First Schedule of the Companies Act, 1956 shall not apply to thisCompany, but these Articles for the management of the Company and for the observance of the Membersthereof and their representatives shall, subject to any exercise of the statutory powers of the Company withreference to the repeal of, alteration of, or addition to, its regulations/Articles by Special Resolution, asprescribed by the Companies Act 1956, be such as are contained in these Articles.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and contents
Share Capital	3. The authorised share capital of the company is ` 15,00,00,000 (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakh ) equity shares of `10/- each, with power of the company to increase or decrease the capital.
Increase of capital by the Company how carried into effect	4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97of the Act
New Capital same as existing capital	5. Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
Non Voting Shares	6. The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
Redeemable Preference Shares	7. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preferenceshares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
Voting rights of preference shares	8. The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.
Provisions to apply on issue of Redeemable	9. On the issue of redeemable preference shares under the provisions of Article 7 hereof, the followingprovisions-shall take effect: (a) No such Shares shall be redeemed except out of profits of which

Title of Article	Article Number and contents
Preference Shares	would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption. (b) No such Shares shall be redeemed unless they are fully paid. (c) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed. (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the CapitalRedemption Reserve Account were paid-up share capital of the Company. (e) Subject to the provisions of Section 80 of the Act. The redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.
Reduction of capital	10. The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital; (b) any capital redemption reserve account; or (c) any security premium account. in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.
Purchase of own Shares	11. The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.
Sub-division consolidation and cancellation of Shares	12. Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

MODIFICATION OF RIGHTS

Title of Article	Article Number and contents
Modification of rights	13. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall *mutatis mutandis* apply to every such

	Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking *pari passu* therewith.

SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and contents
Restriction on allotment and return of allotment	14. The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.
Further issue of shares	15. (1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares then: (a) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date; (b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer and the offer, if not accepted, will be deemed to have been declined; (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b)shall contain a statement of this right; (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company. (2) Notwithstanding anything contained in sub-clause (1), the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever. (a) If a Special Resolution to that effect is passed by the Company in General Meeting; or (b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company. (3) Nothing in sub-clause (c) of (l) hereof shall be deemed; (a) To extend the time within which the offer should be accepted; or (b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation. (4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company:

Title of Article	Article Number and contents
	(i) To convert such debentures or loans into Shares in the Company; or (ii) To subscribe for Shares in the Company PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term: (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that government in this behalf; and (b) In the case of debentures or loans or other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the loans.
Shares at the disposal of the Directors	16. Subject to the provisions of Section 81 of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
Power to offer Shares/options to acquire Shares	16A (i) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. (ii) In addition to the powers of the Board under Article 16A(i), the Board may also allot the Shares referred to in Article 16A(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A(i)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit. (iii) The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A(i) and (ii) above.

Title of Article	Article Number and contents
Application of premium received on Shares	17. (1) where the Company issues Shares at a premiumwhether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on theseShares shall be transferred to an account, to be called"the security premium account" and the provisions of theAct relating to the reduction of the share capital of theCompany shall except as provided in this Article, applyas if the security premium account were paid up sharecapital of the Company. (2) The security premium account may, notwithstanding anything in clause (I) thereof be applied by the Company: (a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus; (b) In writing off the preliminary expenses of the Company; (c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or (d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.
Power also to Company in General Meeting to issue Shares	18. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.
Power of General Meeting to authorize Board to offer Shares/Options to employees	18A Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose In addition to the powers contained in Article 18A(i), the General Meeting may authorise the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.
Shares at a discount	19. The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely: (a) The issue of the Shares at discount is authorised by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board; (b) The resolution specifies the maximum rate of discount (not exceeding ten

Title of Article	Article Number and contents
	percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and (c) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.
Installments of Shares to be duly paid	20. If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.
The Board may issue Shares as fully paid-up	21. Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.
Acceptance of Shares	22. Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.
Deposit and call etc., to be debt payable	23. The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
Liability of Members	24. Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.
Dematerialisation of securities	25.(A) Definitions **Beneficial Owner** "Beneficial Owner" means a person whose name is recorded as such with a Depository. **SEBI** "SEBI" means the Securities and Exchange Board of India. **Bye-Laws** "Bye-Laws" mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996; **Depositories Act** "Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force; **Depository** "Depository" means a company formed and registered under the

Title of Article	Article Number and contents
	Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992; **Record** "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI; **Regulations** "Regulations" mean the regulations made by SEBI; **Security** "Security" means such security as may be specified by SEBI.
Dematerialisation of securities	25.(B) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.
Options to receive security certificates or hold securities with depository	25.(C) Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository. Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.
Securities in depositories to be in fungibleform	25.(D) All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.
Rights of depositories and beneficial owners	25.(E) (1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner; (2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it; (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.
Depository To FurnishInformation	25.(F) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
Service of documents	25.(G) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.
Option to opt out in respect of any security	25.(H) If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.
Sections 83 and	25.(I) Notwithstanding anything to the contrary contained in the Articles,

Title of Article	Article Number and contents
108 of the Act not to apply	(1) Section 83 of the Act shall not apply to the Shares held with a Depository; (2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.
Share certificate	26. (a)Every Member or allotee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name. (b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.
Limitation of time for issue of certificates	26A. Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.
Renewal of share certificates	27. No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company. PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.
Issue of new certificate in place of one defaced, lost or destroyed	28. *If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding `2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.* Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf. The provision of this Article shall *mutatis mutandis* apply to Debentures of the Company.
	29.

Title of Article	Article Number and contents
The first name joint holder deemed sole holder	If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.
Issue of Shares without Voting Rights	30. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.
Buy-Back of Shares and Securities	31. Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 77 and SEBI (Buy back of Shares) Regulations as may be permitted by law.
Employees Stock Options Scheme/ Plan	32. The Directors shall have the power to offer , issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated , created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.
Sweat Equity	33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.
Postal Ballot	34. The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.
Company not bound to recognize any interest in Shares other than of registered holder	35. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.
	36.

Title of Article	Article Number and contents
Trust recognised	(a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them. (b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.
Declaration by person not holding beneficial interest in any Shares	37. (1) Notwithstanding anything herein contained a person whose name is at any time entered in Register ofMember of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act 2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act (3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, of so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act (4) Not withstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.
Funds of Company not to be applied in purchase of Shares of the Company	38. No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

UNDERWRITING AND BROKERAGE

Title of Article	Article Number and contents
Commission may be paid	39. Subject to the provisions of Section 76 of the Act, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company but so that the commission shall not exceed in the case of the Shares five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully

Title of Article	Article Number and contents
	or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.
Brokerage	40. The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.
Commission to be included in the annual return	41. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

Title of Article	Article Number and contents
Interest out of capital	42. Where any Shares are issued for the purpose of raising money to defray the expenses of theconstruction of any work or building, or the provisions of any plant which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.

CALLS

Title of Article	Article Number and contents
Directors may make calls	44. (a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by aresolution passed at a meeting of a Board (and not by a circular resolution)make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call. (b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
Notice of call when to be given	45. Not less than **fourteen days** notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whomsuch call shall be paid.
Call deemed to have been made	46. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may bemade payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.
Directors may extend time	47. The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extended such time to call or any of the Members, the Board of Directors may deem fairly entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of grace and favour.
Amount payable at	48. If by the terms of issue of any Share or otherwise any amount is made

Title of Article	Article Number and contents
fixed time or by installments to be treated as calls	payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.
When interest on call or installment payable	49. If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.
Evidence in action by Company against share holder	50. On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Payment in anticipation of calls may carry interest	51. *The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.* The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

LIEN

Title of Article	Article Number and contents
Partial payment not to preclude forfeiture	52. Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

Title of Article	Article Number and contents
Company's lien on Shares/ Debentures	53. The Company shall have first and paramount lien upon all Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article.
As to enforcing lien by sale	54. The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:- (a) Unless a sum in respect of which the lien exists is presently payable; or (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to execute a transfer there from behalf of and in the name of such Members (c) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.
Application of proceeds of sale	55. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and (b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).

FORFEITURE OF SHARES

Title of Article	Article Number and contents
If money payable on Shares not paid notice to be given	56. If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Sum payable on allotment to be deemed a call	57. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.
Form of notice	58. The notice shall name a day, (not being less than fourteen daysfrom the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen

Title of Article	Article Number and contents
	percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.
In default of payment Shares to be forfeited	59. If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, beforfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
Notice of forfeiture to a Member	60. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited Shares to be the property of the Company and may be sold etc.	61. Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
Member still liable for money owning at the time of forfeiture and interest	62. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
Effects of forfeiture	63. The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
Power to annul forfeiture	64. The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Title of Article	Article Number and contents
Declaration of forfeiture	65 (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off. (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share. (d) Any such purchaser or allotee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment. (e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.
Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum.	66. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Cancellation of shares certificates in respect of forfeited Shares	67. Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
Evidence of forfeiture	68. The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
Validity of sale	69. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
	70.

Title of Article	Article Number and contents
Surrender of Shares	The Directors may subject to the provisions of the Act, accept a surrender or any share from any Member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and contents
No transfers to minors etc.	71. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
Instrument of transfer	72. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
Application for transfer	73. (a) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee. (b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice (c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
Execution of transfer	74. The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.
Transfer by legal representatives	75. A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall,although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
Register of Members etc when closed	76. The Board of Directors shall have power on giving not less than seven days pervious notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
Directors may refuse to register transfer	77. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of

Title of Article	Article Number and contents
	the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.
Death of one or more joint holders of Shares	78. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.
Titles of Shares of deceased Member	79. The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.
Notice of application when to be given	80. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.
Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)	81. Subject to the provisions of the Act and Article 78 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".
Refusal to register nominee	82. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.
Person entitled may receive dividend without	83. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or

Title of Article	Article Number and contents
being registered as a Member	other moneys payable in respect of the Share.
No fee on transfer or transmissions	84. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.
Transfer to be presented with evidence of title	85. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
Company not liable for disregard of a notice prohibiting registration of transfer	86. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

VOTES OF MEMBERS

Title of Article	Article Number and contents
Member paying money in advance not to be entitled to vote in respect thereof	126. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.
Restriction on exercise of voting rights of Members who have not paid calls	127. No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
Number of votes to which Member entitled	128. Subject to the provisions of Article 126, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of theCompany. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares

Title of Article	Article Number and contents
	or interest in the Company for any specified period preceding the date on which the vote is taken.
Votes of Members of unsound mind	129. A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
Votes of joint Members	130. If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shallnot have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.
Representation of body corporate	131. (a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorised by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat. (b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.
Votes in respects of deceased or insolvent Members	132. Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

Title of Article	Article Number and contents
Voting in person or by proxy	133. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act.
Rights of Members to use votes differently	134. On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses
Proxies	135. Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right what so ever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.
Proxy either for specified meeting or for a period	136. An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it mayappoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
No proxy to vote on a show of hands	137. No proxy shall be entitled to vote by a show of hands.
Instrument of proxy when to be deposited	138. The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.
Form of Proxy	139. Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorised by it.
Validity of votes given by proxy notwithstanding revocation of authority	140. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
Time for objection to vote	141. No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman

Title of Article	Article Number and contents
	of the Meeting.
Chairman of any Meeting to be the judge of Validity of any value	142. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
Custody of Instrument	143. If any such instrument of appointment is confined to the object of appointing at attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Division of profits	212. (a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares; (b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.
The Company at General Meeting may declare dividend	213. The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.
Dividends out of profits only	214. No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.
Interim dividend	215. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	216. (a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.
Capital paid-up in advance to carry interest, not the right to earn dividend	217. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
	218.

Title of Article	Article Number and contents
Dividends in proportion to amounts paid-up	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.
No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	219. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone of jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
Effect of transfer of Shares	220. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint holders	221. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
Dividend how remitted	222. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
Notice of dividend	223. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.
Reserves	224. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
Dividend to be paid within time required by law.	225. The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:- (a) where the dividend could not be paid by reason of the operation on any law; or (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or (c) where there is dispute regarding the right to receive the dividend; or (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part

Title of Article	Article Number and contents
	of the Company.
Unpaid or unclaimed dividend	226. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "**Prakash Constrowell Limited** (year)Unpaid Dividend Account". Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205C of the Act. No unclaimed or unpaid divided shall be forfeited by the Board.
Set-off of calls against dividends	227. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.
Dividends in cash	228. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
Capitalisation	229. (1)The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and (b)that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion. (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards; (a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or (b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or (c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b) (3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.
Board to give effect	230. The Board shall give effect to the resolution passed by the Company in pursuance of above Article.
Fractional	231. (1) Whenever such a resolution as aforesaid shall have been passed, the Board

Title of Article	Article Number and contents
certificates	shall; (a) (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares and (b) (b) Generally do all acts and things required to give effect thereto. (2)The Board shall have full power: (a) (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributablein fractions, also (b) (b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to themrespectively, credited as fully paid up, of any furtherShares to which they may be entitled upon suchcapitalisation or (as the case may require) for thepayment by the Company on their behalf by theapplication thereof of the respective proportions ofthe profits resolved to be capitalised of the amountsremaining unpaid on their existing Shares. (3) Any agreement made under such authority shall be effective and binding on all such Members. (4)That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed Material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 11.00 am to 5.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Memorandum of Understanding dated March 1, 2011 between our Company and the BRLM.

2. Memorandum of Understanding dated February 23, 2011 between our Company and the Registrar to the Issue.

3. Escrow Agreement dated August 18, 2011 among our Company, the BRLM, Escrow Collection Banks, and the Registrar to the Issue.

4. Syndicate Agreement dated August 18, 2011 among our Company, the BRLM and the Syndicate Members.

5. Underwriting Agreement dated [●] among our Company, the BRLM and the Syndicate Members.

Material Documents for Inspection

1. Certificate of Incorporation

2. Fresh Certificate of Incorporation consequent to change of name on conversion of Company from private to public limited company.

3. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.

4. Resolution of the Board of Directors dated January 5, 2011 authorising the Issue.

5. Resolution of the shareholders passed at the Extra Ordinary General Meeting dated January 29, 2011 authorising the Issue.

6. Consent of M/s. Anil R. Bora & Co., the Peer Review Auditors of the Company, dated March 14, 2011 for inclusion of their name in the Red Herring Prospectus.

7. Report of the Peer Review Auditor dated August 23, 2011 from M/s. Anil R. Bora & Co., the Peer Review Auditors of the Company on our Company's restated, standalone for the financial years ended March 31, 2007, 2008, 2009, 2010 and 2011 and consolidated financial statement as of and for the financial years ended March 31, 2008, 2009,2010 and 2011.

8. Copy of the Statement of Tax Benefits dated August 18, 2011 issued by M/s. Bedmutha & Associates, Chartered Accountants.

9. Copy of Certificate from the Statutory Auditors of the Company, M/s. Bedmutha & Associates, Chartered Accountants, dated August 18, 2011 regarding the Eligibility of the Issue.

10. Consents of Auditors, Expert, Bankers to the Company, BRLM, Legal Advisors to the Issue, Directors, Company Secretary, Compliance Officer, IPO Grading Agency, Syndicate Member, Registrars to the Issue and Escrow Collection Banks as referred to, in their respective capacities.

11. In-principal Listing applications dated March 31, 2011 filed with the BSE.

12. In-principal Listing applications dated March 31, 2011 filed with the NSE.

13. In-principle listing approvals dated June 20, 2011 from BSE.

14. In-principle listing approvals dated June 16, 2011 from NSE.

15. Tripartite agreement between the NSDL, our Company and the Registrar dated April 21, 2011.

16. Tripartite agreement between the CDSL, our Company and the Registrar dated March 22, 2011.

17. Due diligence Certificate dated March 30, 2011 to SEBI from the BRLM.

18. SEBI observation Letter Nos. CFD/DIL/ISSUES/SP/VB/20937/2011 dated July 1, 2011 and reply to the same dated August 24, 2011.

19. Valuation Report of M/s. Bedmutha & Associates dated March 21, 2011 for subsidiaries namely Atal Buildwell Private Limited, Ram Buildwel Private Limited, Punamraj Construwell Private limited, Mohini Buildcon Private Limited.

20. Report of the IPO Grading Agency dated August 22, 2011.

Any of the contracts or documents mentioned in the Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, hereby declare that, all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

Signed by the Directors of the Company

Mr. Prashant P. Sarda, *Non-Executive Chairman*

Mr. Krishnan G. Trichur, *Managing Director*

Mr. Prakash P. Laddha, *Whole Time Director*

Mr. Viijaygopal P. Atal, *Non-Executive Director*

Mr. Suresh G. Sarda, *Non-Executive Director*

Mr. Sharad R. Karwa, *Non-Executive Director*

Mr. Jayant V. Phalake, *Independent Director*

Mr. Nagesh W. Mendhekar, *Independent Director*

Mr. Vipul D. Lathi,
CFO cum Compliance Officer

Mr. Hemant M. Rathi, *Independent Director*

Mrs. Megha Bhattd,
Company Secretary

Date: September 6, 2011
Place: Nasik

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Mr T.G.Krishnan,
Managing Director
Prakash Constrowell Ltd.
6/7, Falcon Plaza,
Near Sarada Circle,
Nashik – 422 001

August 22, 2011

Dear Sir,

IPO Grading

Please refer to our letter dated August 22, 2011 on the above subject.

1. The rationale for the grading is attached as an **Annexure - I**. Kindly note that the rationale would be published in the forthcoming issue of our quarterly journal, 'CAREVIEW'.

2. A write-up on the above grading is proposed to be issued to the press shortly. A draft of the press release is enclosed for your perusal as **Annexure - II**.

3. Our grading symbols and explanatory notes thereon are given in Annexure - III.

4. We request you to peruse the Rationale and Press Release and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by August 24, 2011 we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

[Dhaval Patel]
Sr. Manager

Encl: As above

CARE Ratings

Annexure I

Grading Rationale

Prakash Constrowell Ltd. (PCL)

Grading

Particulars	Grading[1]	Remarks
IPO Grade	**'CARE IPO Grade 2' [Two]**	Assigned

CARE has assigned a **'CARE IPO Grade 2'** to the proposed IPO of Prakash Constrowell Ltd. **'CARE IPO Grade 2'** indicates **below average fundamentals**. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.

Grading Rationale

The grading reflects the promoters' significant experience in the construction business and demonstrated track record in the execution of small-to medium-sized projects.

The grading is, however, constrained by PCL's relatively moderate scale of operations, fluctuating operating profit margin, highly competitive nature of the industry, geographical concentration of projects in the state of Maharashtra and the client concentration risk. Most of the contracts awarded are from Government of Maharashtra/semi government entities.

Background

Prakash Constrowell Ltd. (PCL) was incorporated on January 4, 1996 as Prakash Constrowell Pvt. Ltd. The company was promoted by Mr Prakash Laddha and he has over three decades of experience in the construction business. In 1996, it acquired the construction and maintenance business of Prakash Builders, a proprietorship concern established in 1978 by Mr Prakash Laddha. In January 2011, the company converted in to a public limited company under the present name.

[1] *Complete definition of the grading assigned is available at www.careratings.com and other publications of CARE*

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The company is mainly engaged in the activities of the civil construction, infrastructure construction, industrial construction and real estate development. Majority of its projects have been undertaken within the state of Maharashtra.

PCL is involved in the following segments of construction:

- Infrastructure development which includes the construction and maintenance of the roads / highways, bridges, industrial parks, workshops, hospitals, educational institutions;
- Civil construction which includes the construction of the government staff quarters, hostel buildings and auditoriums;
- Residential and commercial real estate development.

PCL is registered as class 1-A contractor with the Public Works Department, the Government of Maharashtra, wherein it can bid for a range of contracts without the restriction on the contract value. It is also registered with other government/semi-government bodies to bid for the various types of the construction projects.

Key grading factors

Experienced promoter and demonstrated track record in execution of the small-to medium-sized projects

Mr Prakash P. Laddha, promoter of PCL, has over three decades of experience in the infrastructure and construction industry. Mr Krishnan G. Trichur, managing director has over 40 years of experience in the industry. The company has a well-qualified management team, which is experienced in the construction industry. PCL has executed several contracts for the Maharashtra state government and semi government organizations such as Maharashtra State Public Works Department, Maharashtra State Police Hosing and Welfare Corporation, Maharashtra State Road Transport Corporation etc.

Moderate scale of operations

Though the promoters have been associated with the construction business for over 30 years, the company is relatively small compared to other large construction players. Further, PCL has demonstrated a major growth in business in the past few years. Small size not only restricts its ability to bid for the large size contracts but also makes it highly vulnerable to the uncertainties associated with the execution of the projects.

Geographical concentration

PCL is a regional player and its order book position of Rs.117 crore as on March 1, 2011 is primarily concentrated in the state of Maharashtra.

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This exposes the company to geographical concentration risk. In case of change in the State Government policies or slowdown in tendering, the company's revenue and profitability can be impacted. Under the residential and commercial real estate developments segment, PCL's projects are primarily concentrated in Nashik. Going forward, the company intends to focus more on the civil and infrastructure construction segment.

Client concentration risk as most of the projects awarded are by the Government of Maharashtra /semi government entities

PCL is highly dependent on the State Government / semi-government entities. Its top customers (mainly includes the State Government entities) accounted for approximately 83% of its total revenue in FY10. In case PCL loses any of its large customers it can adversely impact its business. The contract awarded by the government authorities are tender based in which PCL has to compete with the various other companies.

(Rs. crore)

Client	FY08	FY09	FY10
Maharashtra State Police Housing & Welfare Corporation	9	25	23
Maharashtra State Public Works Department	9	22	41
Nashik District Maratha Vidya Prasarak Mandal , Nashik	-	5	4
Islampur Integrated Textiles Park	-	1	26
Total revenue from major customer	**18**	**53**	**94**
Total operating income	**27**	**63**	**114**
% of total revenue from major customer	*68*	*84*	*83*

High degree of competition; fluctuating operating margin

PCL's operating income has grown significantly from Rs.26.67 crore in FY08 to Rs.113.75 crore FY10 due to the execution of more orders. However its PBILDT margin declined from 13.04% in FY08 to 8.83% in FY10.

Despite low PBILDT margin, ROCE was 29.56% (FY10) as the company has been able to manage its overall operating cycle well thereby reducing the need for working-capital finance.

In FY11, company posted operating income of Rs.116.51 crore and PBILDT margin improved to 13.19%.

Corporate Governance

According to the requirements of the listing agreement, where the chairman of the board is a non-executive director, at least one-third of the board should comprise independent directors. At present, PCL has nine directors on its board, of which three are independent directors. The

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independent directors joined the company's board in March 2011. To comply with the regulatory guidelines, the company has formed committees such as audit committee, remuneration committee and shareholders'/investors' grievances committee.

Litigations

(Rs. Crore)

Sr. No.	Details of the Matters as on March 30, 2011	Amount Involved
1	one direct tax proceeding against the company	0.23
2.	seven criminal litigation filed against promoters, directors and promoter group companies	2.77
3	six civil litigation filed against promoters, directors and promoter group companies	10.58
	Total	**13.58**

IPO Details

Size of the Issue

PCL proposes to raise Rs.60 crore through the Initial Public Offering. Number of equity shares and price band was not decided by the company at the time of grading.

Purpose of the issue

Purpose	Rs. Crore
Working-capital requirement	35.00
Purchase construction equipments	9.30
Investment in the subsidiary company	2.35
General corporate purpose and public issue expenses	13.35
Total	**60.00**

Financial performance

(Rs. Crore)

For the period ended / as at Mar.31,	2009 *(12 m, A)*	2010 *(12 m, A)*	2011 *(12 m, A)*
Income from Operations	63.12	113.75	116.36
PBILDT	4.65	10.05	15.37
Interest	0.43	1.31	1.68
Depreciation	2.72	2.69	2.46
PBT	1.89	7.66	13.20
PAT (After def. Tax)	1.14	5.69	9.69
Gross Cash Accruals	4.27	8.17	11.03
Financial Position			
Equity Share capital	0.41	0.41	8.22
Net Worth	18.40	24.09	30.33

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Key Ratios

Profitability (%)			
PBILDT / Total Income	7.36	8.83	13.19
PAT / Total Income	1.81	5.00	8.32
ROCE	9.99	29.56	40.49
RONW	6.41	26.65	39.11
Solvency			
Debt Equity Ratio	0.02	0.06	-
Overall Gearing	0.29	0.42	0.34
Interest coverage (times)	10.79	7.67	9.16
Term Debt/GCA	0.56	0.61	-
Total Debt/GCA	1.27	1.22	0.94
Liquidity			
Current ratio	1.20	1.62	1.66
Quick ratio	1.07	1.09	1.06
Avg. Collection Period (days)	17	12	27
Average Inventory (days)	18	34	71
Average Creditors (days)	33	17	41
Operating cycle (days)	2	29	58

DISCLAIMER:

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

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CARE Ratings

Annexure II

PRESS RELEASE

CARE assigns 'CARE IPO Grade 2' grading to the proposed Initial Public Offering of Prakash Constrowell Ltd (PCL).

Grading

Particulars	Grading[1]	Remarks
IPO Grade	**'CARE IPO Grade 2' [Two]**	Assigned

Grading Rationale

The grading reflects the promoters' significant experience in the construction business and demonstrated track record in the execution of small-to medium-sized projects.

The grading is, however, constrained by PCL's relatively moderate scale of operations, fluctuating operating profit margins, highly competitive nature of the industry, geographical concentration of projects in the state of Maharashtra and the client concentration risk. Most of the contracts awarded are from Government of Maharashtra/semi government entities.

Company Profile

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PCL is engaged in the business of civil construction, infrastructure construction, industrial construction and real estate development. Majority of its projects have been undertaken within the state of Maharashtra.

PCL plans to raise Rs.60 crore through the IPO. The proceeds will be utilised to finance the working capital requirement, purchase construction equipment and investment in subsidiary company.

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[2]*Complete definition of the grading assigned is available at www.careratings.com and other publications of CARE*

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PCL reported a profit after tax of Rs.9.69 crore on the total income of Rs.116.36 crore in FY2010-11 as against profit after tax of Rs. 5.69 crore on the total income of Rs. 113.75 crore in FY2009-10.

Analyst Contact
Name: Dhaval Patel
Tel # 022-67543438
Email: Dhaval.Patel@careratings.com

DISCLAIMER

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CARE Ratings

Annexure III

CARE IPO grading Scale

CARE IPO grade	Evaluation
CARE IPO Grade 5	Strong fundamentals
CARE IPO Grade 4	Above average fundamentals
CARE IPO Grade 3	Average fundamentals
CARE IPO Grade 2	Below average fundamentals
CARE IPO Grade 1	Poor fundamentals

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