Draft Red Herring Prospectus
Dated January 15, 2008
Please read Section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Building Issue

PNC INFRATECH LIMITED

Our Company was incorporated as "PNC Construction Company Private Limited" under the Companies Act, 1956 on August 9, 1999. It was converted into a public company on February 12, 2001 and our name was changed to "PNC Construction Company Limited". Subsequently on August 2, 2007 the name was changed to "PNC Infratech Limited" (For details in changes of our registered office, see the section titled "History and Certain Corporate Matters" on page 65 of this Draft Red Herring Prospectus.) **Registered and Corporate Office**: D-51, PNC House, Kamla Nagar, Agra - 282 005, Uttar Pradesh, India. **Tel**: (91 562) 258 0230, 288 3625, 258 1761; **Fax:** (91 562) 2882 925, **Company Secretary and Compliance Officer**: Mr. K. N. Mehra; **E-mail**: pncipo@pncinfratech.com; **Website**: www.pncinfratech.com

PUBLIC ISSUE OF 6,000,000 EQUITY SHARES OF Rs. 10 EACH FOR CASH AT A PRICE OF Rs. [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [•] PER EQUITY SHARE) AGGREGATING Rs. [•] MILLION (THE "ISSUE") BY PNC INFRATECH LIMITED (THE "COMPANY" OR THE "ISSUER"). THE ISSUE COMPRISES A NET ISSUE OF 5,800,000 EQUITY SHARES TO THE PUBLIC AND A RESERVATION OF 200,000 EQUITY SHARES FOR ELIGIBLE EMPLOYEES (HEREINAFTER DEFINED). THE ISSUE WOULD CONSTITUTE 21.73% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY. THE NET ISSUE WOULD CONSTITUTE 21.00% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY.
*Our Company is considering a pre-IPO placement of up to 2,000,000 Equity Shares with certain investors ("**Pre-IPO Placement**"). The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance, if any, of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed the Net Issue will be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post-Issue capital being offered to the public.*

PRICE BAND: Rs. [•] TO Rs. [•] PER EQUITY SHARE OF FACE VALUE Rs. 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 Period will be extended for three additional working days after revision of the Price Band subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Manager ("BRLM") and at the terminals of the members of the Syndicate.
In terms of Rule 19(2)(b) of the Securities Contract Regulation Rules, 1957, this being an Issue for less than 25% of the post Issue equity share capital of our Company, the Issue is being made through the 100% Book Building Process where at least 60% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation 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. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net 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.

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 the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 and the Floor Price is [•] times of the face value and the Cap Price is [•] times of the face value. The Price Band (as determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares 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 this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page viii of this Draft Red Herring Prospectus.

IPO GRADING

This Issue has been graded by [•] and has been assigned the [•] indicating [•]. 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. For further details in this regard, see the section titled "General Information" on page 9 of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft 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 this Draft 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 offered through this Draft Red Herring Prospectus are proposed to be listed on the NSE and BSE. [•] shall be the Designated Stock Exchange. We have received in-principle approval from the NSE and the BSE, for the listing of the Equity Shares pursuant to letters dated [•] and [•], respectively.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
ENAM SECURITIES PRIVATE LIMITED SEBI Reg. No.: INM000006856 801/ 802, Dalamal Towers Nariman Point Mumbai - 400 021, India Telephone: (91 22) 6638 1800 Facsimile: (91 22) 2284 6824 Email: pncipo@enam.com Website: www.enam.com Contact Person: Mr. Pranav Mahajani	**INTIME SPECTRUM REGISTRY LIMITED** SEBI Reg. No. : INR 000003761 C-13, Pannalal Silk Mills Compound LBS Road, Bhandup (West) Mumbai 400 078, India. Tel: (91 22) 2596 0320 Fax: (91 22) 2596 0329 E-mail: pnc.ipo@intimespectrum.com Website: www.intimespectrum.com Contact Person: Mr. Sachin Achar

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	[•]	BID/ISSUE CLOSES ON	[•]

TABLE OF CONTENTS

SECTION – I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
The "Company" or "our Company" or "PNC" or "we" or "our" or "us"	Unless the context otherwise requires refers to PNC Infratech Limited, a public limited company incorporated under the Companies Act

Company Related Terms

Term	Description
Articles/ Articles of Association	The Articles of Association of our Company
Auditors	The statutory auditors of our Company, Purushottam Agrawal & Co., Chartered Accountants having its registered office at Block 54, Sanjay Place, Agra - 282 002, Uttar Pradesh, India
Board of Directors/ Board	The board of directors of our Company including committee constituted thereof
Director(s)	Director(s) of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value Rs. 10 each
Memorandum/ Memorandum of Association	The Memorandum of Association of our Company
Registered Office	The registered office of our Company located at D-51, PNC House, Kamla Nagar, Agra - 282 005, Uttar Pradesh, India

Issue Related Terms

Term	Description
Allotment/Allotted	Unless the context otherwise requires, the issue of Equity Shares pursuant to the Issue to the successful Bidders
Allottee	The successful Bidder to whom the Equity Shares are being/have been Allotted
Banker(s) to the Issue	[●]
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form
Bid/Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in an English national newspaper and a Hindi national newspaper, each with wide circulation.
Bid/Issue	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper and a Hindi national newspaper, each with wide circulation.
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe to Equity Shares of our Company and which will be considered as the application for issue of the Equity Shares pursuant to the terms of the Red Herring Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding / Issue Period	The period between the Bid Opening Date and the Bid Closing Date inclusive of both days and during which prospective Bidders can submit their Bids, including any revisions thereof
Book Building Process	Book building route as provided under Chapter XI of the SEBI DIP Guidelines, in terms of which the Issue is being made
BRLM/ Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Enam Securities Private Limited
Business Day	Any day other than Saturday or Sunday on which commercial banks in Mumbai and Agra are open for business
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with the BRLM. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board shall

Term	Description
	Allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
Draft Red Herring Prospectus	This Draft Red Herring Prospectus dated January 15, 2008 filed with the SEBI, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue
Eligible Employees	All or any of the following: (a) a permanent employee of our Company as of the date of filing of the Red Herring Prospectus with the RoC and based, working and present in India as on the date of submission of the Bid cum Application Form. (b) a Director of our Company, whether a whole time Director, part time Director or otherwise, except any Promoters or members of the Promoter Group, as of the date of filing the Red Herring Prospectus with the RoC and based and present in India as on the date of submission of the Bid cum Application Form.
Eligible NRI	An NRI resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus will constitute an invitation to subscribe for our Equity Shares
Employee Reservation Portion	The portion of the Issue being up to 200,000 Equity Shares available for allocation to Eligible Employees
Enam	Enam Securities Private Limited, a company incorporated under the Companies Act and having its registered office at 24, B.D.Rajabahadur Compound, Ambalal Doshi Marg, Fort, Mumbai - 400 001, India.
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount
Escrow Agreement	Agreement entered into among our Company, the Registrar, the Escrow Collection Bank(s), the BRLM for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Escrow Account will be opened
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or 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
Issue	Public issue of 6,000,000 Equity Shares at a price of Rs. 10 each for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating up to Rs. [●] million. The Issue comprises a Net Issue to the Public of 5,800,000 Equity Shares and an Employee Reservation Portion of up to 200,000 Equity Shares for subscription by Eligible Employees. Our Company is considering a Pre-IPO Placement of up to 2,000,000 Equity Shares, subject to a minimum of 10% of our post Issue paid-up equity capital with certain investors ("Pre-IPO Placement"). Our Company will complete the issuance, if any, of such Equity Shares prior to the completion of this Issue. If the Pre-IPO Placement is completed the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Net Issue, subject to a minimum Issue size of 10% of the post Issue capital.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Prospectus, as determined by our Company in consultation with the BRLM on the Pricing Date
Margin Amount	The amount paid by the Bidder at the time of submission of their Bid, which may range between 10% to 100% of the Bid Amount
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Fund Portion	5% of the QIB Portion or [●] Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion
Net Issue	The Issue less the Employee Reservation Portion
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000
Non-Institutional Portion	The portion of the Net Issue being up to [●] Equity Shares available for allocation to Non Institutional Bidders
Pay-in Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the Bid Closing Date, and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending up to the closure of Pay-in Date
Price Band	The price band with a minimum price (Floor Price) of Rs. [●] and the maximum price

Term	Description
	(Cap Price) of Rs. [●], including any revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLM finalizes the Issue Price
Promoters	Promoters of our Company, namely a) Mr. Pradeep Kumar Jain, b) Mr. Naveen Kumar Jain, c) Mr. Chakresh Kumar Jain, d) Mr. Yogesh Kumar Jain, e) PNC Project Private Limited, f) PNC Cold Storage Private Limited, g) A.S. Infraprojects Private Limited, h) Shri Mahaveer Infrastructure Private Limited and i) Shri Parasnath Infrastructure Private Limited.
Promoter Group	In addition to the Promoters, the following persons constitute the Promoter Group of our Company: The following natural persons, form a part of the promoter group: a) Ms. Premwati Jain, b) Mr. Abhinandan Jain, c) Mr. Anirudh Jain, d) Ms. Priyanka Jain, e) Ms. Heena Jain, f) Mr. Hardik Jain, g) Ms. Meena Jain, h) Ms. Rashmi Jain, i) Ms. Usha Jain, j) Mr. Vaibhav Jain, k) Ms. Prili Jain, l) Ms. Ankita Jain, m) Ms Eti Jain, n) Mr. Anuj Jain, o) Mr. Harshvardhan Jain, p) Ms. Ayushi Jain, q) Mr. Saksham Jain, r) Mr. Arnav Jain s) Ms. Sakshi Jain, t) Ms. Renu Jain, u) Ms. Madhvi Jain, and v) Ms. Ashita Jain. The following corporate entities form a part of the promoter group: a) PNC Mining Private Limited, b) PNC Infrastructure Private Limited, c) NCJ Infrastructure Private Limited, d) Ideal Buildtech Private Limited, e) Suash Trading and Manufacturing Private Limited, and f) KMJ Infrastructure Private Limited. The following HUFs form a part of the Promoter group: a) Pradeep Kumar Jain (HUF), b) Naveen Kumar Jain (HUF), c) Chakresh Kumar Jain (HUF) and d) Yogesh Kumar Jain (HUF)
Prospectus	The Prospectus, to be filed with the RoC containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Accounts for the Issue on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that QIBs are required o pay at the time of submitting their Bid.
QIB Portion	The portion of the Net Issue to public being not less than [●] Equity Shares each at the Issue Price, available for allocation to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as defined in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with the SEBI, foreign venture capital investors registered with the SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 250 million, pension funds with a minimum corpus of Rs. 250 million, and multilateral and bilateral development financial institutions
Refund Account	The account opened with Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made.
Refund Banker	The banks which are clearing members and registered with the SEBI as Banker to the Issue, at which the Refund Account will be opened, in this case being [●]
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit, NEFT or RTGS as applicable
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Intime Spectrum Registry Limited
Retail Individual Bidders	Individual Bidders (including HUFs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000, in any of the bidding options in the Issue
Retail Portion	The portion of the Net Issue to the public being up to [●] Equity Shares 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)
RHP or Red Herring Prospectus	Means the document issued in accordance with the SEBI DIP Guidelines, which does not have complete particulars on the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC in terms of section 60B of the Companies Act, at least three days before the Bid Opening Date and will become a Prospectus after filing with the RoC after pricing and allocation
Stock Exchanges	NSE and BSE
Syndicate	The BRLM
Syndicate Agreement	The agreement to be entered into among our Company and the Syndicate in relation to the collection of Bids in this Issue
Syndicate Member(s)	[•]

Term	Description
TRS or Transaction Registration Slip	The slip or document issued by a member of the Syndicate to the Bidder as proof of registration of the Bid
Underwriter	The BRLM
Underwriting Agreement	The agreement among the Underwriter and our Company to be entered into on or after the Pricing Date

Technical and Industry Terms

Term	Description
AAI	Airport Authority of India
BOQ	Bill of Quantities
BOT	Build, Operate and Transfer
CRISIL	CRISIL Research & Information Services Limited
CSO	Central Statistical Organisation
DBFO	Design, Build, Finance and Operate
EPC	Engineering, Procurement and Construction
GDP	Gross Domestic Product
FEED	Front End Engineering and Design
GFCF	Gross Fixed Capital Formation
HSE	Health, Safety and Environment
ISO	Indian Standards Organisation
IT	Information Technology
ITES	Information Technology Enabled Services
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KV	Kilo Volt
KWH	Kilowatt Hour
NEFT	National Electronic Fund Transfer
PMGSY	Pradhan Mantri Gram Sadak Yojana
PPP	Public Private Partnership
RMC	Ready Mix Concrete
ROB	Rail Over Bridge
WMM	Wat Mix Mecadam
WSS	Water Supply and Sanitation

Conventional/General Terms

Term	Description
Act or Companies Act	Companies Act, 1956, as amended from time to time
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
BOCWA	The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, as amended from time to time
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Central Excise Act	The Central Excise Act, 1944, as amended from time to time
CLRA	Contract Labour (Regulation and Abolition) Act, 1970, as amended from time to time
Excise Rules	The Central Excise Rules, 1944, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A body corporate registered under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as amended from time to time
EPS	Earnings per share
ESIA	The Employee State Insurance Act, 1948, as amended from time to time
Electronic Transfer of Funds	Refunds through ECS, Direct Credit or RTGS as applicable
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder
FII	Foreign Institutional Investor (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with the SEBI under applicable laws in India

Term	Description
FIPB	Foreign Investment Promotion Board
Financial Year / Fiscal	Period of twelve months ended March 31 of that particular year, unless otherwise stated
Government/ GOI	The Government of India
HUF	Hindu Undivided Family
IPO	Initial Public Offering
Income Tax Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
Indian Penal Code	The Indian Penal Code, 1860, as amended from time to time
JV	Joint Venture
Motor Vehicle Act	The Motor Vehicle Act, 1988, as amended from time to time
MPRDC	Madhya Pradesh Road Development Corporation Limited
NHDP	National Highway Development Program
NAV/Net Asset Value	Net Worth divided by number of shares
NHAI	National Highway Authority of India
NHAI Act	National Highways Authority of India Act, 1988, as amended from time to time
Non- Residents/ NR	Non-Resident is a Person resident outside India, as defined under FEMA and includes a Non- Resident Indian
NRE Account	Non Resident External Account
NRI/Non-Resident Indian	Non-Resident Indian, is a Person resident outside India, who is a citizen of India or a Person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
p.a. / P.A.	Per annum
PAN	Permanent Account Number
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organisation, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organisation validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
PIO/ Person of Indian Origin	Shall have the same meaning as is ascribed to such term in the Foreign Exchange Management (Investment in Firm or Proprietary Concern in India) Regulations, 2000
PWA	The Payment of Wages Act, 1936, as amended from time to time
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908, as amended from time to time
RoC	The Registrar of Companies, Uttar Pradesh and Uttaranchal
RONW	Return on net worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SCRR	Securities Contract Regulation Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended from time to time
SEBI DIP Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SPV	Special Purpose Vehicle
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1995, as amended from time to time
U.S. GAAP	Generally accepted accounting principles in the United States of America
VAT	Value Added Tax
Workmen's Compensation Act	The Workmen's Compensation Act, 1923, as amended from time to time

CERTAIN CONVENTIONS; USE OF MARKET DATA

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated financial information prepared in accordance with Indian GAAP and included in this Draft Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. In this Draft 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 and U.S. GAAP. Accordingly, the degree to which the Indian GAAP restated financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by Persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the sections titled "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages viii, 49 and 120 respectively of this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial information prepared in accordance with Indian GAAP.

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India, all references to the "US", "USA", or the "United States" are to the United States of America, and all references to "UK" are to the United Kingdom.

For definitions, see the section titled "Definitions and Abbreviations" on page i of this Draft Red Herring Prospectus. In the section entitled "Main Provisions of the Articles of Association" on page 191 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles.

Use of Market data

Market and industry data used in this Draft Red Herring Prospectus has been obtained or derived from industry publications and sources. These 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. Accordingly, no investment decision should be made based on such information. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified.

Additionally, the extent to which the market and industry data presented in this Draft 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.

Currency of Presentation

In this Draft Red Herring Prospectus, all references to "Rupees" and "Rs." are to the legal currency of India, all references to "U.S. Dollars", and "US$" are to the legal currency of the United States of America.

FORWARD-LOOKING STATEMENTS

We have included statements in this Draft Red Herring Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "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".

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Implementation risks involved in our projects;
- Political and regulatory environment;
- Our ability to raise capital for our future projects;
- Our ability to service our debt service obligations;
- Our ability to successfully implement our strategy, growth and expansion plans;
- Our exposure to market risks;
- Changes in the value of the Rupee and other currencies;
- The monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates;
- Changes in the foreign exchange control regulations in India;
- Foreign exchange rates, equity prices or other rates or prices; and
- The performance of the financial markets in India.

For further discussion of factors that could cause our actual results to differ, see the section titled "Risk Factors" on page viii of this Draft Red Herring Prospectus. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. We, the members of the Syndicate and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, we 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.

SECTION - II

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prior to investing in the Equity Shares, prospective investors should carefully consider all the information contained in this Draft Red Herring Prospectus, especially the following risk factors, in evaluating the risks associated with our business, industry and the locations we operate in. In particular any potential investor in or purchaser of the Equity Shares should pay particular attention to the fact that we are governed by Indian legal and regulatory requirements which may differ from those which prevail in other countries. These risks and uncertainties are not the only issues that we face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have a material adverse effect on our financial condition or business success. To obtain a complete understanding of our Company, you should read this section in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 120, of this Draft Red Herring Prospectus. Prospective investors should also note that certain of the statements in this Draft Red Herring Prospectus, including information with respect to our plans and strategy, constitute "forward-looking statements" as discussed in the section titled "Forward-Looking Statements" on page vii of this Draft Red Herring Prospectus.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein. Unless stated otherwise, the financial data in this section is as per our restated financial statements prepared in accordance with Indian GAAP.

Internal Risk Factors

1. Our growth strategy to expand into new functional areas and geographic areas poses risks.

Our business strategy is to expand the geographical and functional areas in which we undertake our projects. Our construction activities have, however, historically been focused in north India and primarily in the areas of highway and airport runway construction. However, we now propose to diversify into power transmission, distribution and railway civil works. As we have not undertaken projects in these sectors until date, we may need to recruit additional skilled personnel and purchase additional equipment to support such activities. Any inability to recruit skilled personnel, purchase adequate equipments to effectively carry out proposed activities in a timely manner or at all may adversely affect our results of operations.

Further, as we seek to diversify our regional focus we may face the risk that our competitors may be better known in other markets, enjoy better relationships with customers and international joint venture partners, gain early access to information regarding attractive projects and be better placed bid for and be awarded such projects. Increasing competition could result in price and supply volatility, which could cause our business to suffer. In addition we may not have the required amount of experience in the new areas of business in which we propose to venture and therefore may not be able to compete effectively with established and new competitors in these businesses. There can be no guarantee that we will be able to effectively manage our entry into new functional and geographical areas.

2. We operate in a very competitive industry and our failure to successfully compete could result in the loss of one or more significant customers.

We operate in a very competitive environment and compete against various domestic and foreign engineering and construction companies. 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. For further information concerning our competitors in specific industry and project segments, see the section titled "Our Business" on page 49 of this Draft Red Herring Prospectus. While many factors affect the client decisions, price is a key deciding factor in most of the tender awards.

We may be unable to compete with larger engineering construction companies for complex, high-value contracts as well as projects that are of comparatively lesser value, many of whom may have greater financial resources, economies of scale and operating efficiencies. For instance, in relation to airport runway projects, we have recently witnessed significant increase in competition. If we are unable to bid for and win engineering construction projects, whether large or small, or compete with larger competitors, we could fail to increase, or maintain our volume of order intake and our results of operations may be materially adversely affected.

3. Our portfolio is relatively concentrated in certain large-scale projects, which exposes us to risks.

There are various risks associated with the execution of large-scale integrated projects. Large contracts may take up a large part of our portfolio, increasing the potential volatility of our results through increased 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. Large-scale integrated projects may cause us to assume portions of the project that have potentially lower profit margins. In addition, we often execute large-scale integrated projects as joint ventures with other companies. Should the other members of our joint ventures default on its duties to perform, we would remain liable for the completion of the project. Our five largest contracts in terms of outstanding value represented approximately 78.5% of our Order Book as of September 30, 2007. We believe that our contract portfolio will continue to be concentrated to a similar degree in the future. If we do not achieve our expected margins or suffer losses on one or more of these large contracts, this could have an adverse effect on our results of operations.

4. Any disruption in the adequate and timely supply of key raw materials such as steel and cement at commercially acceptable prices, could adversely affect our business and results of operations.

The timely and cost effective execution of our projects is dependant on the adequate and timely supply of key raw materials, such as steel and cement. We have not entered into any long-term contracts for the purchase of such raw materials with our suppliers. 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.

5. There are certain qualifications in our audit reports.

The Auditors have provided the following qualifications in their audit report:

- **Gratuity:** The Company is not providing gratuity liability on an actuarial basis in accordance with Accounting Standard 15 "Accounting for Retirement Benefits in the Financial Statements of Employers". The same has been provided on a cash basis adopted in the previous years. No adjustments were made for the new accounting policy for the period ended on September 30, 2007 and years ended 2003, 2004, 2005, 2006 and 2007.

- **Leave Encashment:** The Company is not providing Leave Encashment liability on an actuarial basis in accordance with Accounting Standard 15 issued by The Institute of Chartered Accountants of India. The same has been provided on a cash basis adopted in the previous years. No adjustments were made for the new accounting policy for the period ended on September 30, 2007 and years ended 2003, 2004, 2005, 2006 and 2007.

6. 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 and earnings.

Our Order Book does not necessarily indicate future earnings related to the performance of that project. Order Book projects represent business that is considered firm, but cancellations or scope or schedule adjustments may occur. We may also encounter problems executing the project as ordered, or executing it on a timely basis. Moreover, factors beyond our control or the control of our clients may postpone a project or cause its cancellation, including delays or failures to obtain necessary permits, authorizations, permissions, right-of-way, and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of projects, as a result of exercises of our clients' discretion, problems we encounter in project execution, or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent an Order Book project will be performed. Delays in the completion of a project can lead to clients delaying or refusing to make payment to us of some or all of the amounts we expect to be paid in respect of the project. Even relatively short delays or surmountable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, the final payments due to us on a project. These payments often represent an important portion of the margin we expect to earn on a project. In addition, even where a project proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to Order Book projects or any other uncompleted projects, or disputes with clients in respect of any of the foregoing, could materially harm our cash flow position, revenues and earnings.

7. Our inability to qualify for and win large engineering construction contracts and compete with other engineering construction companies could adversely affect our margins and results of operations.

Substantially all our contracts are obtained through a competitive bidding process. Pre-qualification is key to our winning most projects. In selecting contractors for such projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria, including experience, technical ability, past performance, reputation for quality, safety record, financial strength and the size of previous contracts in similar projects, although the price competitiveness of the bid is usually the most important selection criterion. We are currently qualified to bid for projects up to certain values, depending on the project size and required net worth, and therefore may not be able to compete with other construction companies for larger, higher-value projects, on our own or find suitable joint venture partners. Our ability to bid for and win major projects is dependent on our ability to show experience working on such large engineering, procurement and construction contracts and develop strong engineering capabilities and credentials to execute more technically complex projects.

8. We own a large fleet of equipments and have a large number of workers as our employees, resulting in increased fixed costs to our Company. In the event we are not able to generate adequate cash flows it may have a material adverse impact on our operations.

As on September 30, 2007, we had approximately 1,500 employees of which 150 were engineers and other professionals. We also own a large fleet of critical and modern construction equipments and minimally lease or take on hire equipment, resulting in increased fixed costs to our Company. In the event, we are unable to generate/maintain adequate revenues by successfully bidding for projects or recover payments from our clients in a timely manner or at all it could have a material adverse affect on our financial condition and operations.

9. We propose to bid for additional Build, Operate and Transfer ("BOT") projects. In the event we are unable to make accurate forecasts of the revenues could have an adverse impact on our results of operations.

As part of our strategy to focus on large infrastructure construction projects, we plan to selectively bid for and increase focus on BOT projects in the future as we expect that the overall proportion of projects that are offered on a BOT basis will increase over time due to the government's increasing reliance on private participation in infrastructure investment. BOT projects offer the potential benefit of higher operating margins, as BOT projects can generally give greater control over project costs. In addition, they offer the potential benefit of greater-than-anticipated revenues from the users of the constructed facility during the concession period.

However, the risks associated with undertaking BOT projects can be substantial, including the risk of incorrect forecasts at the bid stage concerning revenues to be derived from the use of the constructed facility and the risk of extended exposure to fluctuating economic conditions. Reduced profitability or losses from BOT projects that do not perform as forecast could have a material adverse effect on our results of operations. Additionally, growth in BOT infrastructure projects may require increasing private sector participation. Investment by the private sector in such projects is dependent on the potential returns from such projects and is therefore linked to government policies relating to public-private participation and the sharing of risks and returns from such projects. Any changes in government policies that may lead to a reduction in capital investment in the infrastructure sector by the private sector could have a material adverse impact on our business and our results of operations. We have recently forayed into undertaking BOT projects. Any inability to execute or handle BOT projects may adversely affect our business.

10. All our business transactions are with governmental or government-funded entities or agencies and any change in government policies or focus may affect our business and results of operations.

Our business is dependent on infrastructure projects undertaken by governmental authorities and other entities funded by governments or international and multilateral development finance institutions. Contracts awarded by Central, state and local Governmental authorities constitute our entire Order Book as on September 30, 2007. Government focus on and sustained increase in budgetary allocation for investments in the infrastructure sector, 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 or are expected to result in the commencement of several large infrastructure projects in India. If there is any change in the government or in governmental policies, practices or focus that results in a slowdown in infrastructure projects, our business and results of operations may be adversely affected.

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

The cost of raw materials, fuel, labour and other inputs constitutes a significant part of our operating expenses. Our construction operations require various raw construction materials including steel and cement. Fuel costs for operating our construction and other equipment also constitute a significant part of our operating expenses, especially in the case of our infrastructure projects. Our ability to pass on increases in the purchase price of raw materials, fuel and other inputs may be limited in the case of contracts with limited price escalation provisions. Our projects have been performed under contracts that contain limited price escalation clauses covering increases in the cost of raw materials. Our actual expense in executing a contract with limited price escalation costs may vary substantially from the assumptions underlying our bid for several reasons, including:

- unanticipated increases in the cost of raw materials, fuel, labour or other inputs;
- unforeseen construction conditions, including the inability of the client to obtain requisite environmental and other approvals, resulting in delays and increased costs;
- delays caused by local weather conditions; and
- suppliers' or subcontractors' failures to perform.

Unanticipated increases in the price of raw materials, fuel costs, labour or other inputs not taken into account in our bid can also have compounding effects by increasing costs of performing other parts of the contract. These variations and other risks generally inherent to the construction industry may result in our profits on a project being less than as originally estimated or may result in our experiencing losses. Depending on the size of a project, these variations from estimated contract performance could have a significant effect on our results of operations.

12. We have high working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.

Our business requires a high amount of working capital. In many cases, significant amounts of working capital are required to finance the purchase of materials and the performance of engineering, construction and other work on projects before payments are received from clients. In certain cases, we are contractually obligated to our clients to fund the working capital requirements of our projects.

Our working capital requirements may increase if, under certain contracts, payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burdens. In addition, our working capital requirements have increased in recent years because we have undertaken a growing number of projects within a similar timeframe and due to the general growth of our Company's business. All of these factors may result, or have resulted, in increases in our working capital needs.

It is customary in the industry in which we operate to provide bank guarantees or performance bonds in favour of clients to secure obligations under contracts. In addition, letters of credit are often required to satisfy payment obligations to suppliers and sub-contractors. If we are unable to provide sufficient collateral to secure the letters of credit, bank guarantees or performance bonds, our ability to enter into new contracts or obtain adequate supplies could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs. We may not be able to continue obtaining new letters of credit, bank guarantees, and performance bonds in sufficient quantities to match our business requirements.

Our expansion plans require significant expenditure and if we are unable to obtain the necessary funds for expansion, our business may be adversely affected.

We will need significant additional working capital to finance our future business plans and, in particular, our plan for expansion as referred to in the section titled "Objects of the Issue" on page 21 of this Draft Red Herring Prospectus. Due to various factors, including certain extraneous factors such as changes in tariff regulations, interest rates, insurance and other costs or borrowing and lending restrictions, if any, we may not be able to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms. Any such situation would adversely affect our business and growth prospects.

13. An inability to manage our growth could disrupt our business and reduce our profitability.

We have experienced significant growth in recent years and expect our construction and infrastructure business to continue to grow as we gain greater access to financial resources. We expect this growth to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across our organisation. In particular, continued expansion increases the challenges involved in:

- preserving a uniform culture, values and work environment across our projects;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- maintaining high levels of client satisfaction; and
- adhering to HSE standards.

Any inability to manage the above factors may have an adverse effect on our business and results of operations.

14. We depend on forming successful joint ventures to qualify for the bidding process for certain projects.

In order to be able to bid for certain larger scale projects, we enter into memoranda of understanding or joint venture agreements with other companies to meet capital adequacy, technical or other requirements that may be required as part of the pre-qualification for bidding or execution of the contract. In case where we are unable to forge an alliance with appropriate companies to meet such requirements, we may lose out on opportunities to bid.

Where we have formed a joint venture, our Company can claim benefits flowing to the joint venture to the extent of its share in the joint venture as agreed among the joint venture partners. However, the liability of joint venture partners is joint and several. Consequently, we would be liable for completion of the entire project if our joint venture partner were to default on its duty to perform, which could have an adverse effect on our business and results of operations.

15. Delays associated with the collection of receivables from our clients may adversely affect our business and results of our operations.

There may be delays associated with the collection of receivables from our clients, including government owned, controlled or funded entities and related parties. As on September 30, 2007, Rs. 31.98 million, or 6.41 %, of our accounts receivable were outstanding for a period of more than one year. Of the total debtors outstanding as on September 30, 2007, Rs. 1.23 million or 0.25% was owed to us by related parties. Our operations involve significant working capital requirements and delayed collection of receivables could adversely affect our liquidity and results of operations. In addition, we may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned, controlled or funded entities.

Additionally, our contracts with our clients typically include cost-escalation clauses which allow us to pass on increases in costs incurred in excess of the contract price as a result of additional work or increase in costs of raw materials to our clients, in the manner contemplated in such contracts. The costs associated with these changes or client caused delays include additional direct costs, such as labour and material costs associated with the performance of the additional work, as well as indirect costs that may arise due to delays in the completion of the project, such as increased labour costs resulting from changes in labour markets. In the event of any dispute or any delay to recover such amounts in a timely manner or at all could have a material adverse impact on our liquidity, financial condition and results of operations.

Moreover, we expect to engage in BOT road projects in the future and may not recover adequate sums from toll collections, in a timely manner. There can be no assurance that any such development would not adversely affect our business.

16. Any inability to attract, recruit 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, recruit and retain talented and skilled personnel. We are highly dependent on our senior management, our Directors and other key personnel, including skilled project management personnel. We face strong competition to recruit and retain skilled and professionally qualified staff. Due to the limited pool of available skilled personnel, competition for senior management and skilled engineers in our industry is intense. We may experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for our business needs. We may also need to increase our pay structures to attract and retain such personnel. Our future performance will depend upon the continued services of these persons. The loss of any of the members of our senior management, our Directors or other 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.

17. We have not paid any dividends in the last five Fiscals and there can be no assurance that out Board will declare any dividends in the future.

We have not declared any dividends in the last five Fiscals. Our ability to pay dividends is subject to restrictive covenants contained in financing and loan agreements governing indebtedness we have incurred or may incur in the future. There can be no assurance that our Board will declare dividends in the future.

18. Our Company, certain of our Promoter entities and Directors are involved in various litigations and any adverse developments could have a material adverse effect on our Company.

Our Company, certain of our Promoter enities and Directors are party to various claims and legal proceedings. In addition, new claims and legal proceedings may be instituted or asserted against us from time to time. The results of these claims and legal proceedings cannot be predicted and these claims and legal proceedings, individually or in the aggregate, may have a material adverse effect on our business (both in the near and long-term), liquidity, financial position or results of operations.

There are two criminal cases pending against our Company where an aggregate claim of approximately Rs. 1.46 million has been made against us. The IT Department has also raised a claim of Rs. 12.90 million against our Company, for the assessment year 2003-04. Further more, there are several Central Excise claims pending against our Company, including refunds claimed by us, aggregating to Rs. 14.82 million. Additionally, we are currently defendants in 15 motor accident claims, claiming compensation under the Motor Vehicle Act, aggregating to approximately Rs. 22.09 million. Further, we are currently defendants in seven labour and other civil litigation claiming compensation mostly under the WC Act, aggregating to approximately Rs. 1.93 million.

In addition to the above, there are several litigations instituted by our Company. There are two criminal suits, instituted by our Company, under the NI Act and IPC, claiming an aggregate amount of approximately Rs. 5.12 million and a civil suit against the Public Works Department, Uttar Pradesh claiming approximately Rs. 5.12 million. Further, we have initiated arbitration proceedings against NHAI claiming compensation of approximately Rs. 122.78 million, for loss incurred owing to the delay in commencement of work, failure to handover possession of the site in terms of the agreement etc. Additionally, our Company, on behalf of NCC-PNC JV, has filed refund applications claiming exemptions on duty on high speed diesel purchased for applicable periods, aggregating to approximately Rs. 10.36 million.

Further, one of our Directors is a party to a motor accident claim where a compensation of approximately Rs. 1.50 million has been claimed against him. Further more, one of our Promoter entities is a party to a consumer litigation, where a compensation of approximately Rs. 0.18 million has been claimed against the Promoter company.

These legal proceedings are pending at different levels of adjudication before various courts and tribunals. For details, see the section titled “Outstanding Litigation and Material Developments” on page 136 of this Draft Red Herring Prospectus. In the event of rulings against us by courts or tribunals in these proceedings, we may need to make payments to others or book provisions against probable future payments, which could increase our expenses and our current liabilities.

19. Our Promoters will continue to retain majority control in our Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval.

Upon completion of the Issue, the Promoters will beneficially own 42.93% of our post-Issue Equity Share capital. As a result, the Promoters will 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 our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest.

In addition, for so long as the Promoters continue to exercise significant control over our Company; they may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders. The Promoters may have interests that are adverse to the interests of our other shareholders and may take positions with which we or our other shareholders do not agree.

20. Timely and successful completion of our projects is dependent upon our performance and, in the case of many projects, the cooperation of our JV partners and 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. We often enter into JVs to take on a project or sub-contract part of the work in a project to various sub-contractors. In those instances, the timely completion of the contract for our client depends in part on the performance of our JV partners and sub-contractors. Delay or failure on the part of a JV partner or sub-contractor to complete its work on a project on time, for any reason, could result in delayed payment to us or termination of the contract, which in turn may affect our cash flow and results of operations. Furthermore, failure to adhere to contractually agreed timelines for any reason could cause damage to our reputation and client base, result in our being required us to pay liquidated damages or lead to forfeiture of security deposits or invocation of performance guarantees. Damage to our reputation could adversely affect our ability to pre-qualify for projects, which in turn may adversely affect our business and results of operations.

Additionally, JV partners or sub-contractors may not have adequate financial resources to meet their indemnity obligations to us. Losses may derive from risks not addressed in our indemnity agreements or insurance policies, or it may no longer be possible to obtain adequate insurance against some risks on commercially reasonable terms. Failure to effectively cover ourselves against risks for any of these reasons could expose us to substantial costs and potentially lead to material losses. The occurrence of any of these possibilities may also adversely affect industry perception of our operations and the perception of our suppliers, clients and employees, leading to an adverse effect on our business, results of operations and financial condition.

21. We do not own the trademark for the name and logo of "PNC", and the value of such intellectual property may be impaired by the actions of others.

We do not own the trademark for the name and logo of "PNC". We have applied for registration of our name and logo "PNC", which are currently pending before the Registrar of Trademarks, Kanpur. Consequently our Company does not enjoy the statutory protections accorded to a registered trademark. Failure to obtain a registration with respect to our name and logo may result in the value of our intellectual property being impaired by the actions of others.

22. Our indebtedness and the conditions and restrictions imposed on us by our financing agreements could adversely affect our ability to conduct our business.

As on September 30, 2007, we had total secured loans of Rs. 395.69 million. We may incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow will be used towards repayment of our existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;

- fluctuations in market interest rates may affect the cost of our borrowings, as some of our loans are at variable interest rates; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Most of our financing arrangements are secured by our movable assets and by certain immovable assets. Our accounts receivable and inventories are subject to charges created in favour of specific secured lenders. Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences for our business.

We believe that our relationships with our lenders are good. Compliance with the various terms of our loans is, however, subject to interpretation and we cannot assure you that we have requested or received all consents from our lenders that would be advisable under our financing documents. As a result, it is possible that a lender could assert that we have not complied with all the terms under our financing documents. Any failure to service our indebtedness, comply with a requirement to obtain a consent or perform any condition or covenant could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations.

23. We have not entered into definitive agreements to use a substantial portion of the net proceeds of the Issue.

We intend to use the net proceeds of the Issue for investment in capital equipments, prepayment of debt/advances, equity investments in JVs/SPVs for BOT projects, funding working capital requirements and fund expenditure for general corporate purposes. For further details see the section titled "Objects of the Issue" on page 21 of this Draft Red Herring Prospectus. We have not entered into definitive agreements to utilise a substantial portion of the net proceeds of the Issue. Further, the purposes for which the net proceeds of the Issue are to be utilised have not been appraised by an independent entity and are based on our estimates and on third-party quotations. In addition, our capital expenditure plans are subject to a number of variables, including possible cost overruns, changes in management's views of the desirability of current plans, risk associated with the import of equipments and exchange rates, among others. There can be no assurance that we will be able to conclude definitive agreements for investments in capital equipment or for investments in any special purpose vehicles or JV or otherwise on commercially acceptable terms.

24. Our operations are subject to physical hazards and similar risks that could expose us to material liabilities, loss in revenues and increased expenses.

While construction companies, including us, conduct various scientific and site studies during the course of bidding for projects, there are always anticipated or unforeseen risks that may come up due to adverse weather conditions, geological conditions, specification changes and other reasons. Additionally, our operations are subject to hazards inherent in providing engineering and 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.

We may also be subject to claims resulting from defects arising from engineering, procurement and/or construction services provided by us within the warranty periods stipulated in our contracts, which typically range from six to 12 months from the date of commissioning. 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. Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. In some of the jurisdictions in which we operate, environmental and workers' compensation liability may be assigned to us as a matter of law. As per AS 7 of the Indian Accounting Standards, construction companies are required to recognise, in the respective accounting period, potential losses that may be incurred in the foreseeable future. These liabilities and costs could have a material adverse effect on our business, results of operations and financial condition.

25. 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 civil construction and infrastructure sector. To meet our clients' needs, we must regularly update existing technology and acquire or develop new technology for our engineering 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 to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results.

26. Our registered and corporate office is leased from some of our promoters.

We do not own our registered and corporate office of our Company located at D-51, Kamla Nagar, Agra. We occupy this premise pursuant to lease deed dated May 1, 2007 with Mr. Chakresh Kumar Jain, our promoter and Director for a period of 11 months from May 1, 2007, which may be renewed from time to time. There can be no assurance, that we will be able to occupy the said premises in the future. Further, our other leased premises may not have been stamped adequately and may not adequately spell out our rights with respect to the properties.

27. Our insurance coverage may not adequately protect us against all material hazards.

Our Company has covered itself against certain risks. Our significant insurance policies consist of coverage for risks relating to physical loss or damage as well as business interruption loss. In addition, we have obtained separate insurance coverage for personnel related risks, motor vehicle risks and loss of movable assets risks. Under certain contracts and sub-contracts, we are required to obtain insurance for the project undertaken by us, which, in some cases, we have not obtained or we permitted such insurance policies to lapse prior to the completion of the project. While we believe that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. Further, we may not have obtained insurance cover for some of our projects that do not require us to maintain insurance. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our results of operations and financial performance could be adversely affected.

28. Our inability to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business could have a material adverse effect on our business.

We require certain statutory and regulatory permits and approvals for our business. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe 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. Additionally, we are required to adhere to certain terms and conditions provided for under the statutory and regulatory permits and approvals and any failure in adhering to such terms may result in the revocation of such approvals. For details of our permits and approvals, see the section titled "Government and Other Approvals", beginning on page 145 of this Draft Red Herring Prospectus.

29. We have certain contingent liabilities that may adversely affect our financial condition.

Clients of construction companies usually demand performance guarantees from construction companies as a safety net against potential defaults by the construction companies. Additionally, construction companies such as ours are usually required to have letters of credit issued by their lenders in favour of their suppliers and other vendors. Hence, construction companies often carry substantial contingent liabilities for the projects they undertake.

Our contingent liability as on September 30, 2007 is detailed below:

(Rs. in million)

Contingent Liabilities	Amount
Bank Guarantees Executed in favour of NHAI & other	1,663.61
Disputed demand of Income Tax Authorities for which appeal is pending before the Commisioner of Income Tax (Appeal), Agra	43.26
Disputed demand of Central Excise Department for service tax	16.73

If we are unable to complete a project on schedule, the client may invoke such performance guarantees. If we are unable to pay or otherwise default on our obligations, our lenders may be required pursuant to the relevant letters of credit or guarantees to cover the full or remaining balance of our obligations. In the event that any of these contingent liabilities materialise, our financial condition may be adversely affected. For further information, see the section titled "Financial Statements" on page 94 of this Draft Red Herring Prospectus.

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

As of September 30, 2007, we employed approximately 1,500 employees. While we believe that we maintain good relationships with our employees and contract labour, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations. The number of contract labourers varies from time to time based on the nature and extent of work contracted to sub-contractors. We enter into contracts with sub-contractors to complete specified assignments. We will be still liable for any non-compliance or violations by our sub-contractors. Further, any upward revision of wages required by the government to be paid to contract labourers, or offer of permanent employment or the unavailability of the required number of contract labourers, may adversely affect our business and results of our operations.

31. Our individual Promoters and certain Promoter Group entities are engaged in business activities similar to ours.

Our individual Promoters and certain Promoter entities, *viz.*, PNC Project Private Limited, AS Infraprojects Private Limited and Shri Mahaveer Infrastructure Private Limited and certain Promoter Group entities, *viz.*, PNC Infrastructure Private Limited, NCJ Infrastructure Private Limited and Ideal Buildtech Private Limited may engage in business activities similar to those undertaken by our Company such as construction and civil engineering and this could be a potential source of conflict of interest. We have however entered into a non compete agreement with such promoter and promoter group entities whereby these entities have agreed that they shall not undertake the development or execution of any new civil construction or infrastructure projects, excluding any civil construction or infrastructure projects that are currently in the development or execution stage or for which they have made bids, received orders or been awarded contracts, any dealing in real estate development work and any construction or development in respect of properties acquired by such Promoter and Promoter Group entities.

32. Any further issuance of Equity Shares by our Company including pursuant to our pending Pre-IPO Placement or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of our Equity Shares by our Company including pursuant to the exercise of stock options under any future employee stock option scheme or any other similar scheme in the future, may dilute the positions of investors in our Equity Shares, which could adversely affect the market price of our Equity Shares. 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, 22.93% of our post-Issue paid-up capital held by our Promoters will be locked up for a period of one year and 20% of our post-Issue paid-up capital held by certain of our Promoters will be locked up for a period of three years from the date of Allotment of Equity Shares in the Issue. For further information see the section titled "Capital Structure" on page 15 of this Draft Red Herring Prospectus.

External Risk Factors

33. Demand for our construction services depends principally on activity and expenditure levels in the building and infrastructure sectors.

Demand for our construction services is principally dependent on sustained economic development in the regions in which we operate. In addition, demand for our infrastructure services is largely dependent on government policies relating to infrastructure development and budgetary allocations made by governments for such development, as well as funding provided by international and multilateral development financial 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 the sharing of risks and returns from such projects. A reduction of capital investment in the building or infrastructure sectors for any reason could have a material adverse effect on our business, results of operations and financial condition.

34. Our operations are sensitive to weather conditions.

Our business activities could be materially and adversely affected by harsh weather conditions. Harsh weather conditions may require us to evacuate personnel or curtail services and may result in damage to a portion of our fleet of equipment or to our facilities, resulting in the suspension of operations, and may further 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 utilise our resources.

We record contract revenues for those stages of a project that we complete, after we receive certification from the client that such stage has been successfully completed. Since revenues are not recognized until we make progress on a contract and receive such certification from our clients, revenues recorded in 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. 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.

35. 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. Natural calamities could have a negative impact on the Indian economy and may cause suspension, delays or damage to our current projects and operations, which may adversely affect our business and our results of operations.

36. We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.

Changes in interest rates could significantly affect our financial condition and results of operations. As of September 30, 2007, Rs. 198.65 million of our borrowings were at interest rates as determined by the respective banks and in the event that any such rate is linked to commercial bank advance rate or prime lending rate, then such rate would be calculated on the respective daily balance of cash credit accounts maintained by our Company with each such bank and in the absence of anything to the contrary the interest rates were as specified in the consortium agreement. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

37. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.

Prior to this Issue, there has been no public market for our Equity Shares. The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, volatility in the Indian and global securities markets, the performance of the Indian and global economy, significant developments in India's fiscal regime and other factors. There can be no assurance that an active trading market for our Equity

Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

38. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies. 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.

NOTES TO RISK FACTORS:

1. Public issue of 6,000,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [•] per Equity Share (including a share premium of Rs. [•] per Equity Share) aggregating Rs. [•] million by our Company. The Issue comprises a Net Issue of 5,800,000 Equity Shares to the public and a reservation of 200,000 Equity Shares for Eligible Employees. The Issue would constitute 21.73 % of the post Issue paid-up equity capital of our Company. Our Company is considering a Pre-IPO Placement, subject to a minimum of 10% of our post Issue paid-up equity capital with certain investors ("Pre-IPO Placement"). Our Company will complete the issuance, if any, of such Equity Shares prior to the completion of this Issue. If the Pre-IPO Placement is completed the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Net Issue, subject to a minimum Issue size of 10% of the post Issue capital.

2. The average cost of acquisition of equity shares (on 'first in first out' basis) by each of our Promoters, is as provided below.

Name of Promoter	Average Cost of Acquisition (including bonus issue)
Mr. Pradeep Kumar Jain	5.00
Mr. Chakresh Kumar Jain	5.00
Mr. Yogesh Kumar Jain	24.90
PNC Project Private Limited	45.91
PNC Cold Storage Private Limited	25.00
A.S. Infraprojects Private Limited	0.50
Shri Parasnath Infrastructure Private Limited	0.50
Shri Mahaveer Infrastructure Private Limited	50.00

The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking the average amount paid by them to acquire our Equity Shares. For details, see section titled "Capital Structure" on page 15 of this Draft Red Herring Prospectus.

3. Our net worth as on September 30, 2007 was Rs. 766.73 million and the book value per Equity Share as on September 30, 2007 was Rs. 70.93 per Equity Share.

4. Investors are advised to refer to our financial statements relating to related party transactions in the section titled "Financial Statements - Statement of Related Party Transactions" on page 95 of this Draft Red Herring Prospectus.

5. Investors are advised to refer to the section titled "Basis for Issue Price" on page 26 of this Draft Red Herring Prospectus.

6. For details of interests of our Directors and Key Managerial Personnel, see the section titled "Our Management" on page 70 of this Draft Red Herring Prospectus. For details of the interests of our Promoters and Promoter Group, see the section titled "Our Promoters and Promoter Group" on page 80 of this Draft Red Herring Prospectus.

7. Under subscription in the Issue in any category, except in the QIB Portion, will be met with spill-over from other categories at the sole discretion of our Company in consultation with the BRLM. If at least 60% of the Net Issue is not subscribed to by QIBs, the entire application money will be refunded forthwith.

8. In case of over-subscription in all categories, at least 60% of the Net Issue shall be Allotted on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation to Mutual Funds 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 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net 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. Further, up to 200,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received at or above the Issue Price.

9. Investors may contact the BRLM for any complaints, information or clarification pertaining to the Issue. The BRLM is obliged to provide the same to investors.

10. Trading in Equity Shares for all investors shall be in dematerialised form only.

11. For details on conflict of interest which may occur between our business and the business of our Promoter Group companies of our Promoters see risk factor no. 31.

We and the BRLM are obliged to keep this Draft Red Herring Prospectus updated and inform the public of any material change / development until the listing and trading of the Equity Shares offered under the Issue commences.

SECTION - III

SUMMARY

Industry Overview

For an overview of our industry see the section titled "Industry" on page 36.

Business Overview

We are an engineering and infrastructure construction company in India. We are a fast growing company with expertise in the execution of major infrastructure projects including highways, bridges, flyovers, airport runways and allied activities.

We were incorporated in 1999 and are headquartered in Agra. We have executed or are executing projects across various states in India covering north, south, east and west of India. Drawing from the experience of our Promoters who started this business in 1989, we have acquired significant expertise in the timely execution of EPC contracts. We were awarded bonus by the NHAI for the completion of one of its projects before the scheduled time. We have also recently forayed into execution of highway projects on a BOT basis.

We execute most of our projects independently. When a client requires us to meet specific eligibility requirements in relation to certain large projects, including requirements relating to particular types of experience and financial resources, we enter into JVs with other construction companies. Of the 14 major infrastructure projects executed by our Company since incorporation, 12 projects have been executed independently by us.

Our major clients include:

- National Highways Authority of India;
- Airports Authority of India;
- Public Works Department;
- RITES Limited (a Government of India Enterprises);
- Military Engineer Services (Ministry of Defence); and
- Madhya Pradesh Road Development Corporation Limited.

Some of the prominent projects successfully completed by us include:

- Four Laning of Km. 24 to Km. 41 of Agra Gwalior Section of NH-3 including construction of Road Over Bridge Contract Package No. NS-19;
- Four Laning of Km. 8 to Km. 24 of Agra Gwalior Section of NH-3 including construction of major bridge on Khari River Contract Package No. NS-4;
- Short term improvement and Maintenance of Panipat Jalandhar Section from Km. 96.00 to Km. 372.86 on NH-1 including collection of user fee (Toll);
- Short term improvement and routine maintenance of Panipat Jalandhar Section (Km.96.00 to Km.371.00);
- Strengthening of main runway 19L/01R and proving CAT-II lighting at 19L approach at NSCBI Airport, Kolkata;
- Up-Gradation of Airstrips for operations of Boeing 737 Type of Aircraft at Saifai Etawah (Uttar Pradesh); and
- Sagar Beena (Funded by Asian Development Bank) Road 71.80 Km. under Madhya Pradesh Road Sector Development Program Phase-I.
- Resurfacing of runway, taxiway at civil airdrome, Raipur, Madhya Pradesh.

Currently, we are executing over 18 major infrastructure projects of which three projects are being executed with our JV partners. Among the infrastructure projects that we are currently executing, 13 projects aggregating to a contract value of Rs. 8,947.90 million relate to road construction and five projects aggregating to Rs. 996.80 million relate to construction of airport runways.

As on September 30, 2007, we had about 1,500 employees, of which 150 employees comprised of engineers and other qualified professionals. We own a large fleet of sophisticated construction equipments, including hot mix batch type plant, WMM plant, slip form paver finisher 9.00 meter width, paver finisher (sensor) 5.5 meter width, fixed form paver crushers, excavators, cone cranes (imported), transit mixer, concrete pump and concrete batching plants etc. We believe that our employee resources and fleet of equipments, along with our engineering skills and capabilities, enable us to successfully implement a wide variety of construction projects that involve varying degrees of complexity.

We enjoy accreditations, such as the ISO 9001:2000 certification for quality assurance and the "SS" (Super Special Class) under Military Engineer Services for unlimited value of contracts. We have also received accolades and appreciation certificates for some of our projects, such as for the construction of the Agra-Gwalior Road (NH-3) from NHAI and for the Bangalore airport runway (MES) project from the Ministry of Defence.

In the Fiscals 2007, 2006 and 2005, our contract revenues were Rs. 2,438.17 million, Rs. 1,424.51 million and Rs. 1,120.87 million, respectively. In the Fiscals 2007, 2006 and 2005, we earned PAT of Rs. 132.17 million, Rs. 90.41 million and Rs. 46.20 million, respectively. We have earned aggregate revenue of over 4,200 millions from the independent projects and 776.35 million from the JV projects during Fiscal 2005, 2006 and 2007. Our Order Book which includes un-commenced projects and unfinished and uncertified portions of our projects, was Rs. 9,944.70 million as on September 30, 2007 compared to Rs. 5,009.30 million as of September 30, 2006.

Our Strengths

- ***High profitability margins and continued growth***

  We have experienced continuous growth in our revenues and profitability in recent years. Our revenue has increased from Rs. 1,130.28 million in Fiscal 2005 to Rs. 2,564.20 million in Fiscal 2007. During the same period, our PAT has grown from Rs. 46.20 million to Rs. 132.17 million. Our EBITDA margin of 8.35% for Fiscal 2005 increased to 14.08% in Fiscal 2007. Our PAT margins have increased from 4.09% in Fiscal 2005 to 5.15% in 2007. The increase in our profit margins is attributable to our ability to focus on high growth and high revenue potential projects including large projects. We have also benefited from certain contractual arrangements for the long term supply of petroleum products, machineries and other materials on an interest free credit basis.

- ***Ability to execute projects in a timely manner***

  We have been able to mobilise resources including equipment, raw material and personnel to our project sites at short notice, as we own a significant component of equipments and personnel required. We have also built up significant storage facilities for critical materials, such as petroleum products, machinery, machinery parts and cement. Additionally, we have been successful in operating in a timely manner in difficult terrains and in adverse weather conditions besides facing unavailability of key resources like personnel, material, machinery in the vicinity of our project sites and security challenges, etc.

  For instance, we were awarded bonus by NHAI for the completion of one of its projects before scheduled time. We have also received accolades and appreciation certificates for some of our projects, such as for the Agra-Gwalior Road (NH-3) from NHAI and for the Yelahanka Airport Bangalore (Military Engineer Services) project from the Ministry of Defence.

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

  Our business and growth are significantly dependent on our ability to bid for and secure larger and more 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 formulae of agencies such as the NHAI etc. Bid capacity also includes the highest possible value of a single project that can be awarded to us. In addition to meeting bid capacity requirements, we may also be required to pre qualify for the projects. This includes past experience in the execution of similar projects, technical ability and performance, reputation for quality, safety standards, financial strength and the price competitiveness of the bid. Hence, it is imperative to enhance our bid capacity and pre qualification capability. We have focussed on increasing both these parameters and have continuously increased our bid capacity and the largest order that we can bid for.

- ***Ownership of a large fleet of sophisticated equipment***

  We have ownership of a large fleet of sophisticated construction equipment such as hot mix batch type plant, WMM plant, slip form paver finisher 9.00 ft. width, paver finisher (sensor) 5.5 meter width, fixed form paver crushers, excavators, cone cranes (imported), transit mixer, concrete pump and concrete batching plants etc. The average age of our equipments is approximately 2-3 years and the cost of our equipment as on September 30, 2007 is 757.50 million. We generally do not take any equipment on lease basis.

  Ownership of such a large fleet of high end equipment enables quick mobilization besides ensuring continuous availability of critical equipment. This ownership model of equipment aids us significantly by giving us an edge over competition and reducing our costs. Further, the gestation period to commence work after the project is awarded is minimal as we own the equipments required for a project that we bid for and personnels are on our rolls.

- ***Highly qualified management team and experienced employee base***

  Our management team is well qualified and experienced in the construction industry and has been in many ways responsible for the growth of our operations. In particular, our individual promoters, who are also a part of the management have over 20 years experience each in the infrastructure development sector, and have been instrumental in driving our growth since inception of our business and are involved in the day to day operations of our Company. For details on the qualifications and experience of our senior management team, see the section titled "Our Management" on page 70 of this Draft Red Herring Prospectus. We believe the strength and quality of our Promoters and management have been instrumental in driving our growth and implementing our strategies.

  We believe that a well-trained, motivated and satisfied employee base is fundamental to our competitive advantage. As on September 30, 2007, we had about 1,500 employees of which 150 were engineers and other qualified professionals. The skill sets of our employees give us the flexibility to adapt to the needs of our clients and the technical requirements of the various projects that we undertake. We are committed to the development of the expertise and know-how of our employees through regular technical seminars and training sessions organized or sponsored by our Company. The experience gathered over the years by our management team enables taking quick decisions thereby ensuring that projects are executed within the contracted timelines. This also enables us to meet required standards of quality and efficiency.

Our Strategy

Our growth strategy consists of the following principal elements:

- ***Diversify and expand into new functional areas and geographic areas.***

  We have acquired significant expertise in EPC contracts and we have also recently forayed into BOT contracts for road projects and we further intend to diversify into power transmission, distribution and railway civil works. Additionally, while we have presence across various states in India, we intend to further extend our operations across India as part of our future business model. We believe that further expanding our geographical presence and expanding into new functional areas will allow us to take leverage on projects proposed by the Government and consolidate our position in the civil construction sector.

- ***Maintain performance and competitiveness of existing business***

  We believe that infrastructure will be a major driver for growth in the Indian construction industry in the foreseeable future due to increased levels of government and private industry investment in infrastructure. Additionally, the government has taken steps to encourage additional investments in infrastructure, and providing economic benefits to private sector participants for projects executed on a BOT or annuity basis. Thus, there will be numerous opportunities for infrastructure creation. We have also continually focussed on increasing our bid capacity and prequalification ability to enable us to bid for larger projects. A key element of our growth strategy is to, besides committing to grow through expansion, seek to improve the performance and competitiveness of existing activities, i.e. in the construction of roads and airport runways.

- ***Bid for win and operate BOT projects***

  The government has planned for a number of BOT projects across the road sector, which we intend to bid for. We believe that such projects will increasingly become more prevalent in the coming years because of the government's reliance on the PPP model. BOT 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, BOT projects offer the possibility of higher revenues to the contractor by virtue of better than anticipated use of the asset. We intend to increase our focus on BOT and 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 and annuity projects on our own or in alliance with other construction companies.

- ***Develop and maintain strong relationships with our clients and strategic partners***

  Our services are significantly dependent on winning construction projects undertaken by large government agencies and companies, and infrastructure projects undertaken by governmental authorities and others and funded by governments. Our business is also dependent on developing and maintaining strategic alliances with other contractors with whom we may want to enter into project-specific JVs or subcontracting relationships for specific purposes. We will continue to develop and maintain these relationships and alliances. Besides, we have also, in the past, bid for various projects jointly with other Indian and international construction companies. We intend to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our opportunities. We will continue to jointly bid for projects with other companies to build good working relationships with domestic and foreign companies which would enable us to leverage their strengths and to build competencies.

- ***Attract, train and retain qualified personnel***

  We understand that maintaining quality, minimising costs and ensuring timely completion of engineering and construction projects depends largely on the skill and workmanship of our employees. As competition for qualified personnel and skilled labours are increasing among construction companies in India and as we pursue greater growth opportunities, we seek to attract, train and retain qualified personnel and skilled labours by increasing our focus on training our staff in advanced and basic engineering and construction technology and skills. We also offer our engineering and technical personnel a wide range of work experience and learning opportunities by providing them with an opportunity to work on a variety of large, complex construction projects and forming cross functional teams with the objective of giving them an opportunity to innovate.

- ***Continue to invest in equipments***

  We intend to continue to invest in equipments to support our expanding operations. We believe investments in newer models of equipment ensure continuous availability of critical equipment and renders our operations to be cost effective. We intend to purchase equipments from domestic and foreign manufacturers and continue our strategy of minimally relying on hired or leased equipments.

THE ISSUE

Equity Shares offered by

Our Company ....Up to 6,000,000 Equity Shares*

Employee Reservation Portion ....Up to 200,000 Equity Shares

Therefore,

Net Issue to the Public...5,800,000 Equity Shares

Out of which:

QIB Portion ....At least [●] Equity Shares

Of which
Mutual Fund Portion………………………..Up to [●] Equity Shares

Non-Institutional Portion...............................Not less than [●] Equity Shares

Retail Portion..Not less than [●] Equity Shares

Equity Shares outstanding prior to the Issue ....21,614,000 Equity Shares

Equity Shares outstanding after the Issue ....27,614,000 Equity Shares

Use of proceeds by our Company …………………...See the section titled "Objects of the Issue" on page 21 of this Draft Red Herring Prospectus.

** Our Company is considering a Pre-IPO Placement. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance, if any, of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed the Net Issue will be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post-Issue capital being offered to the public.*

SELECTED FINANCIAL INFORMATION

Summary Statement of Assets and Liabilities as Restated

(Rs. in millions)

Particulars	As At 30.09.2007	As At 30.09.2006	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
FIXED ASSETS							
Gross Block	835.01	782.44	806.59	673.99	295.19	186.66	131.28
Less: Depreciation	258.02	174.94	226.01	127.22	73.92	52.37	34.81
Net Block	**576.99**	**607.50**	**580.58**	**546.77**	**221.27**	**134.29**	**96.47**
Capital WIP	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Assets, Loans and Advances							
Inventories	253.34	469.99	500.36	246.22	42.27	21.04	20.22
Sundry debtors	499.09	517.14	496.73	505.48	87.44	78.35	22.45
Cash and bank balances	30.66	58.23	35.51	106.83	138.96	30.77	37.50
Loans and Advances	376.50	405.26	445.77	367.86	243.40	176.08	123.40
TOTAL (A)	**1,736.58**	**2,058.12**	**2,058.95**	**1,773.16**	**733.34**	**440.53**	**300.04**
LIABILITIES AND PROVISIONS							
Secured Loans	395.69	602.16	635.72	465.89	151.25	65.16	35.16
Unsecured loans	0.00	0.00	0.00	0.00	7.87	0.00	12.25
Current Liabilities	500.82	829.75	656.89	729.47	162.17	137.86	136.05
Provisions							
Provisions for Tax	49.41	20.38	67.46	11.96	11.78	14.56	5.83
Deferred Tax liability	23.93	24.45	24.81	23.97	19.93	13.85	11.29
TOTAL (B)	**969.85**	**1,476.74**	**1,384.88**	**1,231.29**	**353.00**	**231.43**	**200.58**
NET WORTH (A-B)	**766.73**	**581.38**	**674.07**	**541.87**	**380.34**	**209.10**	**99.46**
Net worth represented by							
Share Capital	108.07	108.07	108.07	108.07	100.96	85.34	69.68
Reserve & Surplus	658.76	473.47	566.12	433.96	279.57	123.99	30.05
Less : Misc. Expenditure (to the extent not written off or adjusted)	(0.10)	(0.16)	(0.12)	(0.16)	(0.19)	(0.23)	(0.27)
Net Worth	**766.73**	**581.38**	**674.07**	**541.87**	**380.34**	**209.10**	**99.46**

Summary Statement of Profits & Losses as Restated

(Rs. in millions)

Particulars	As At 30.09.2007	As At 30.09.2006	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
INCOME							
Contract Revenue	1,544.09	948.63	2,438.17	1,424.51	1,120.87	1,108.60	715.30
Sale of Crushed Stone	69.21	57.00	112.20	82.49	0.00	0.00	0.00
Other income	10.14	6.89	13.83	14.41	9.41	1.80	5.19
Total Income (A)	**1,623.44**	**1,012.52**	**2,564.20**	**1,521.41**	**1,130.28**	**1,110.40**	**720.49**
EXPENDITURE							
Operating expenses	1,264.06	777.32	1984.13	1173.42	937.90	960.03	640.47
Employee Cost	64.89	42.87	95.50	61.68	35.20	29.90	12.85
Sales and Administrative Expenses	73.65	54.39	123.47	98.96	62.77	49.19	22.54
Financial Charges	36.12	29.86	61.81	27.61	8.75	5.26	8.13
Depreciation	43.52	47.72	98.79	53.30	21.55	17.56	13.20
Preliminary exp.w/o	0.02	0.00	0.04	0.04	0.04	0.04	0.04
Total Expenditure (B)	**1,482.26**	**952.16**	**2,363.74**	**1,415.01**	**1,066.21**	**1,061.98**	**697.23**
PROFIT BEFORE TAX. (A-B)	141.18	60.36	200.46	106.40	64.07	48.42	23.26
Provision for taxes							
Current tax	49.09	20.11	66.92	11.34	11.79	14.56	5.83
Deferred tax	(0.87)	0.47	0.83	18.18	2.96	0.11	2.72
FBT	0.32	0.27	0.54	0.61	0.00	0.00	0.00
PROFIT AFTER TAX	**92.64**	**39.51**	**132.17**	**76.27**	**49.32**	**33.75**	**14.71**
ADJUSTMENTS							
Current tax impact of Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax impact of Adjustments	0.00	0.00	0.00	14.14	(3.12)	(2.45)	(0.25)
Total of adjustments after tax impact	**0.00**	**0.00**	**0.00**	**14.14**	**(3.12)**	**(2.45)**	**(0.25)**
NET PROFIT FOR THE YEAR AS RESTATED	**92.64**	**39.51**	**132.17**	**90.41**	**46.20**	**31.30**	**14.46**
Profit and loss account	189.63	107.46	107.46	47.05	25.85	7.05	2.59
(at the beginning of the year)							
Balance available for appropriation	**282.27**	**146.97**	**239.63**	**137.46**	**72.05**	**38.35**	**17.05**
APPROPRIATION							
Transfer to General Reserve	00.00	00.00	50.00	30.00	25.00	12.50	10.00

Particulars	As At 30.09.2007	As At 30.09.2006	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
TOTAL	**00.00**	**00.00**	**50.00**	**30.00**	**25.00**	**12.50**	**10.00**
Balance carried forward	**282.27**	**146.97**	**189.63**	**107.46**	**47.05**	**25.85**	**7.05**

GENERAL INFORMATION

Registered and Corporate Office of our Company

PNC Infratech Limited
D-51, PNC House, Kamla Nagar,
Agra - 282 005,
Uttar Pradesh, India
Registration No.: 20-24652
CIN: U45201UP1999PLC024652
Email: pncipo@pncinfratech.com
Website: www.pncinfratech.com

Our Company is registered with the RoC described below:

Registrar of Companies, Uttar Pradesh and Uttaranchal
37/17, Westcott Building,
The Mall,
Kanpur - 208 001,
Uttar Pradesh, India

Our Board of Directors comprises:

1. Mr. Pradeep Kumar Jain, Chairman cum Managing Director(Non-Independent);
2. Mr. Naveen Kumar Jain, Director (Non-Independent);
3. Mr. Chakresh Kumar Jain, Whole time Director (Non-Independent);
4. Mr. Yogesh Kumar Jain, Whole Time Director (Non-Independent);
5. Mr. Anil Kumar Rao, Whole Time Director (Non-Independent);
6. Mr. Chottu Ram Sharma, Additional Director (Independent);
7. Mr. Shri Vilas Mani Tripathi, Additional Director (Independent);
8. Mr. Dharam Vir Gupta, Additional Director (Independent);
9. Mr. Pradeep Kumar Mittal, Additional Director (Independent); and
10. Mr. Lajpat Rai Jain, Additional Director (Independent).

For further details in relation to our Board of Directors see the section titled "Our Management" on page 70 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. K.N. Mehra
PNC House, D-51, Kamla Nagar,
Agra - 282 005,
Uttar Pradesh, India
Tel: (91 562) 2580 230, 2883 625, 2581 761
Fax: (91 562) 2882 925
E-mail: pncipo@pncinfratech.com

Investors can contact our Company Secretary and Compliance Officer 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 account, refund orders, etc.

Book Running Lead Manager

Enam Securities Private Limited
SEBI Reg. No. INM000006856
801/ 802, Dalamal Towers,
Nariman Point,
Mumbai - 400 021, India
Tel: (91 22) 6638 1800
Fax: (91 22) 2284 6824

Email: pncipo@enam.com
Website: www.enam.com
Contact Person: Mr. Pranav Mahajani

Legal Advisors to the Issue

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Amarchand Towers,
216, Okhla Industrial Estate, Phase III,
New Delhi - 110 020, India.
Tel: (91 11) 2692 0500, 4159 0700
Fax: (91 11) 2692 4900, 2692 2900

Registrar to the Issue

Intime Spectrum Registry Limited
SEBI Reg. No. : INR 000003761
C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup (West),
Mumbai - 400 078, India.
Tel: (91 22) 2596 0320
Fax: (91 22) 2596 0329
E-mail: pnc.ipo@intimespectrum.com
Website: www.intimespectrum.com
Contact Person: Mr. Sachin Achar

Auditors

Purushottam Agrawal & Co.
Block 54, Sanjay Place,
Agra - 282 002, Uttar Pradesh, India.
Tel: (91 562) 2851 788
Fax: (91 562) 2855 388
Email: agarwal_sanjay_ca@yahoo.co.in

Banker(s) to the Issue and Escrow Collection Bank(s)
[●]

Bankers to the Company

ABN Amro Bank N.V.
9th Floor, Tower C, Cyber Greens,
DLF Cyber City, Phase III, Sector 25A,
Gurgaon - 122 002, Haryana, India.
Tel: (91 124) 518 1818
Fax: (91 124) 518 1240
Email: maneesh.chaturvedi@in.abnamro.com
Contact Person: Mr. Maneesh Chaturvedi

Bank of Baroda
Ispat Bhawan,
Sanjay Place,
Agra - 282 002, Uttar Pradesh, India.
Tel: (91 562) 285 6685, 285 4219
Fax: (91 562) 252 5912
Email: sanjay@bankofbaroda.com
Contact Person: Mr. C.P. Bhandari

Canara Bank
D-73, Kamla Nagar,
Agra - 282 005, Uttar Pradesh, India
Tel: (91 562) 288 2797, 288 1035
Fax: (91 562) 258 1859
Email: agra1469@canbank.co.in
Contact Person: Mr. P.S. Cherian

ICICI Bank Limited
4B/5, 2nd Floor, Old Rajendra Nagar,
Opp. Sir Ganga Ram Hospital,
New Delhi - 110 060, India
Tel: (91 11) 4166 2830/ 33/ 34
Fax: (91 11) 4166 2836
Email: dipti.nahata@icicibank.com
Contact Person: Ms. Dipti Nahata

Punjab National Bank
Surya Nagar,
Agra - 282 002, Uttar Pradesh, India.
Tel: (91 562) 285 3647, 285 4731
Fax: (91 562) 285 8134
Email: kalpanagupta@pnb.co.in
Contact Person: Ms. Kalpana Gupta

Vijaya Bank
6-Bhikaji Cama Place,
Ansal Chamber II,
New Delhi - 110 066, India
Tel: (91 11) 2617 0154, 2617 0698
Fax: (91 11) 1619 4796
Email: del.bhikajicamaplace6020@vijayabank.com
Contact Person: Mr. Udai Kumar

List of Responsibilities of the Book Running Lead Manager

The list of responsibilites for various activities in this Issue are as under:

Activity	Responsibility
Capital Structuring with relative components and formalities such as type of instruments, etc.	Enam
Due-diligence of the company including its operations/management/business plans/legal, etc. Drafting and design of the DRHP and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI, including finalisation of Prospectus and the RoC filing	Enam
▪ Drafting and approving all statutory advertisements ▪ Preparation and finalisation of the road-show presentation ▪ Preparation of FAQs for the road-show team	Enam
Approval of all non-statutory advertisements including corporate advertisements	Enam
Appointment of intermediaries, *viz.*, printer(s), and advertising agency to the Issue.	Enam
Appointment of Registrar & Banker(s) to the Issue	Enam
Non-Institutional and Retail Marketing of the Issue, which will cover, *inter alia*, • Formulating marketing strategies, preparation of publicity budget • Finalise media & PR strategy • Finalising centers for holding conferences for brokers, etc. • Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material • Finalize collection centers	Enam
Institutional marketing of the Issue, which will cover, inter alia, • Institutional marketing strategy • Finalising the list and division of investors for one to one meetings, and • Finalising road show schedule and investor meeting schedules	Enam
Co-ordination with Stock Exchanges for Book Building Process software, bidding terminals and mock trading	Enam
Managing the book and finalisation of pricing in consultation with the company	Enam
Post bidding activities including management of escrow accounts, co-ordination of allocation, intimation of allocation and dispatch of refunds to bidders, etc. The post issue activities for the Issue will involve essential follow-up steps including finalisation of trading and dealing of instruments and dispatch of certificates and demat and delivery of shares with the various agencies connected with the work such as the Registrar(s) to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company	Enam

Credit Rating

As the Issue is of equity shares, credit rating is not required.

IPO Grading

This Issue has been graded by [●] and has been assigned [●] indicating [●]. 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. A copy of the report provided by [●], furnishing the rationale for its grading is available for inspection at our Registered Office from 10.00 am to 4.00 pm on Business Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Trustees

As the Issue is of equity shares, the appointment of trustees is not required.

Monitoring Agency

There is no requirement to appoint a monitoring agency for the Issue in terms of clause 8.17.1 of the SEBI DIP Guidelines as the Issue size is less than Rs. 5,000 million.

Appraisal

None of the objects of the Issue have been appraised.

Book Building Process

Book building refers to the process of collection of Bids, on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid Closing Date.

The principal parties involved in the Book Building Process are:

- Our Company;
- Book Running Lead Manager;
- Escrow Collection Bank(s); and
- Registrar to the Issue.

This being an issue for less than 25% of post Issue equity capital of our Company, the SEBI DIP Guidelines read with rule 19(2) (b) of the SCRR, have permitted an issue of securities to the public through the 100% Book Building Process, wherein not less than 60% of the Net Issue shall be allocated on a proportionate basis to QIBs, out of which 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 including the Mutual Funds subject valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Net 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. We will comply with the SEBI DIP Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLM to manage the Issue and to procure subscriptions to the Issue.

Pursuant to amendments to the SEBI DIP Guidelines, QIB Bidders are not allowed to withdraw their Bid(s) after the Bid Closing Date and for further details see the section titled "Terms of the Issue" on page 157 of this Draft Red Herring Prospectus.

The Book Building Process under SEBI DIP Guidelines 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.

Illustration of Book Building 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 Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of our Company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.0%
1,500	22	3,000	100.0%
2,000	21	5,000	166.67%
2,500	20	7,500	250%

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

Key Steps to be taken for bidding:

- Check eligibility for bidding, see the section titled "Issue Procedure-Who Can Bid?" on page 163 of this Draft Red Herring Prospectus;
- Ensure that the Bidder has a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure that the PAN is mentioned and the copy of the PAN card is attached to the Bid cum Application Form (see the section titled "Issue Procedure- Permanent Account Number or PAN" on page 180 of this Draft Red Herring Prospectus); and
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, we will enter into an Underwriting Agreement with the Underwriter for the Equity Shares proposed to be offered through this Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are subject to conditions to closing, as specified therein.

The Underwriter has indicated its intention to underwrite the following number of Equity Shares:

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

Name and Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. million)
Enam Securities Private Limited 801/ 802, Dalamal Towers, Nariman Point, Mumbai - 400 021, India	[•]	[•]

The above-mentioned amount is indicative underwriting and this would be finalised after pricing and actual allocation. The above mentioned Underwriting Agreement is dated [•].

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriter is sufficient to enable it to discharge its underwriting obligations in full. The above-mentioned Underwriter is registered with the SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 and registered as brokers with the Stock Exchange(s). The IPO Committee of Directors, at its meeting held on [●], had accepted and authorised the entering into of the Underwriting Agreement mentioned above on behalf of our Company.

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

CAPITAL STRUCTURE

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

(Rs. in million)

		Aggregate Value at face value	Aggregate Value at Issue Price
A)	**Authorised Share Capital***		
	35,000,000 Equity Shares of Rs. 10 each	350.00	
B)	**Issued, Subscribed and Paid Up Share Capital**		
	21,614,000 fully paid up Equity Shares of Rs. 10 each	216.14	
C)	**Present Issue in terms of this Draft Red Herring Prospectus****		
	6,000,000 Equity Shares of Rs. 10 each***	60.00	[●]
D)	**Employee Reservation Portion**		
	200,000 Equity Shares of Rs. 10 each	2.00	[●]
E)	**Net Issue**		
	5,800,000 Equity Shares of Rs. 10 each	58.00	[●]
F)	**Equity Capital after the Issue**		
	27,614,000 Equity Shares of Rs. 10 each	276.14	
G)	**Share Premium Account**		
	Before the Issue	236.00	
	After the Issue	[●]	

** Our Company was incorporated with an authorised share capital of Rs. 10 million (divided into 1,000,000 Equity Shares) on August 9, 1999. The authorised capital was increased to Rs. 40 million (divided into 4,000,000 Equity Shares) pursuant to a resolution of our shareholders dated February 28, 2001. Pursuant to a resolution of our shareholders dated January 28, 2002, our authorised capital was increased to Rs. 70 million (divided into 7,000,000 Equity Shares). Pursuant to a resolution of our shareholders dated June 21, 2003, the authorised capital was increased to Rs. 110 million (divided into 11,000,000 Equity Shares). Pursuant to a resolution of our shareholders dated October 1, 2007 the authorised capital was further increased to Rs. 350 million (divided into 35,000,000 Equity Shares).*

*** The present Issue has been authorised by our Board of Directors at their meeting on September 22, 2007 and our shareholders at their meeting on October 1, 2007.*

****Our Company is considering a Pre-IPO Placement. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance, if any, of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed the Net Issue will be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post-Issue capital being offered to the public.*

Notes to the Capital Structure

1. Share Capital History:

The following is the history of the equity share capital of our Company up to the date of this Draft Red Herring Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, bonus, other than cash)	Nature for Allotment	Cumulative Share Premium (Rs.)	Cumulative Share Capital (Rs.)
August 9, 1999	300	10	10	Cash	Subscription to the Memorandum (1)	Nil	3,000
July 31, 2000	99,800	10	10	Cash	Preferential allotment (2)	Nil	1,001,000
	899,900	10	Nil	Other than Cash	Purchase of business(3)	Nil	10,000,000

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, bonus, other than cash)	Nature for Allotment	Cumulative Share Premium (Rs.)	Cumulative Share Capital (Rs.)
March 31, 2001	2,967,500	10	Nil	Other than cash	Purchase of business(4)	Nil	39,675,000
March 31, 2002	3,000,000	10	10	Cash	Preferential allotment(5)	Nil	69,675,000
March 31, 2004	1,566,000	10	50	Cash	Preferential allotment(6)	62,640,000	85,335,000
March 31, 2005	1,562,500	10	80	Cash	Preferential allotment	172,015,000	100,960,000
March 31, 2006	711,000	10	100	Cash	Preferential allotment(7)	236,005,000	108,070,000
November 26, 2007	10,807,000	10	Nil	Other than cash	Bonus issue (1:1)(8)	236,005,000	216,140,000
	21,614,000						

(1) 100 Equity Shares each to Mr. Pradeep Kumar Jain, Mr. Chakresh Kumar Jain and Mr. Yogesh Kumar Jain.
(2) 49,900 Equity Shares each to Ms. Madhvi Jain and Ms. Ashita Jain.
(3) 899,900 Equity Shares to Mr. Pradeep Kumar Jain in consideration of purchase of existing business.
(4) 2,967,500 Equity Shares to Mr. Pradeep Kumar Jain in consideration of purchase of existing business.
(5) 100,000 Equity Shares to Suash Trading and Manufacturing Private Limited, among others.
(6) 60,000 Equity Shares to Suash Trading and Manufacturing Private Limited, 25,000 Equity Shares to Ms. Meena Jain, 28,000 Equity Shares to Ms. Renu Jain, 16,000 Equity Shares to Ms. Heena Jain, 20,000 Equity Shares to Mr. Yogesh Kumar Jain, 7,000 Equity Shares to Chakresh Kumar Jain as Karta of CK Jain (HUF), 50,000 Equity Shares to Pradeep Kumar Jain as Karta of PK Jain (HUF), 100,000 Equity Shares to PNC Project Private Limited and 120,000 Equity Shares to PNC Cold Storage Private Limited, among others.
(7) 511,000 Equity Shares to PNC Project Private Limited and 200,000 Equity Shares to Shri Mahaveer Infrastructure Private Limited.
(8) 3,406,600 Equity Shares to Mr. Pradeep Kumar Jain, 100 Equity Shares to Mr. Chakresh Kumar Jain, 20,100 Equity Shares to Mr. Yogesh Kumar Jain, 611,000 Equity Shares to PNC Project Private Limited, 120,000 Equity Shares to PNC Cold Storage Private Limited, 200,000 Equity Shares to Shri Mahaveer Infrastructure Private Limited, 1,100,000 Equity Shares to A. S. Infraprojects Private Limited and 470,000 Equity Shares to Shri Parasnath Infrastructure Private Limited, among others.

2. Promoters' Contribution and Lock-in

5,522,800 Equity Shares, constituting 20% of our post Issue Equity Share capital, held by Mr. Pradeep Kumar Jain, PNC Project Private Limited and PNC Cold Storage Private Limited shall be considered for the purpose of Promoters' contribution and shall be locked in for three years from the date of Allotment.

All Equity Shares, which are being locked-in, are not ineligible for computation of promoters' contribution under Clause 4.6 of the SEBI DIP Guidelines.

The following is the history of the equity share capital of the Promoters up to the date of this Draft Red Herring Prospectus:

Name of Promoter	Date of Allotment/ Acquisition/ Sale	Consideration Per Equity Share (Rs.)	No. of Equity Shares allotted/ acquired/ sold	Nature of allotment/ acquisition/ sale	% of Equity Share capital (Post Issue)
Mr. Pradeep Kumar Jain	August 9, 1999	10	100	Subscription to Memorandum of Association	Negligible
	July 31, 2000	Nil	899,900	Preferential allotment*	3.26
	August 1, 2000	10	(200)	Sold to certain individuals	NA
	March 31, 2001	Nil	2,967,500**	Preferential allotment*	10.75
	March 31, 2001	10	(463,800)	Sold to certain individuals	NA
	March 31, 2002	10	3,100	Purchased from certain individuals	0.01
	November 26, 2007	Nil	3,406,600	Bonus issue (1:1)	12.34
	Total		**6,813,200**		

Name of Promoter	Date of Allotment/ Acquisition/ Sale	Consideration Per Equity Share (Rs.)	No. of Equity Shares allotted/ acquired/ sold	Nature of allotment/ acquisition/ sale	% of Equity Share capital (Post Issue)
Mr. Chakresh Kumar Jain	August 9, 1999	10	100	Subscription to Memorandum of Association	Negligible
	November 26, 2007	Nil	100	Bonus issue (1:1)	Negligible
	Total		**200**		
Mr. Yogesh Kumar Jain	August 9, 1999	10	100	Subscription to Memorandum of Association	Negligible
	March 31, 2004	50	20,000	Preferential allotment*	0.07
	November 26, 2007	Nil	20,100	Bonus issue (1:1)	0.07
	Total		**40,200**		
PNC Project Private Limited	March 31, 2004	50	100,000	Preferential allotment*	0.36
	March 31, 2006	100	511,000	Preferential allotment*	1.85
	November 26, 2007	Nil	611,000	Bonus issue (1:1)	2.21
	Total		**1,222,000**		
PNC Cold Storage Private Limited	March 31, 2004	50	120,000	Preferential allotment*	0.43
	November 26, 2007	Nil	120,000	Bonus issue (1:1)	0.43
	Total		**240,000**		
Shri Mahaveer Infrastructure Private Limited	March 31, 2006	100	200,000	Preferential allotment*	0.72
	November 26, 2007	Nil	200,000	Bonus issue (1:1)	0.72
	Total		**400,000**		
A.S. Infraprojects Private Limited	July 14, 2006	80	665,000	Purchased from certain corporate entities	2.41
	September 28, 2006	80	435,000	Purchased from certain corporate entities	1.58
	November 26, 2007	Nil	1,100,000	Bonus issue (1:1)	3.98
	Total		**2,200,000**		
Shri Parasnath Infrastructure Private Limited	July 14, 2006	80	350,000	Purchased from certain corporate entities	1.27
	September 28, 2006	80	120,000	Purchased from a corporate entity	0.43
	November 26, 2007	Nil	470,000	Bonus issue (1:1)	1.70
	Total		**940,000**		

* *The equity shares were fully paid up at the time of allotment. Hence, the date of them being made fully paid up is the same as the date of allotment.*

4,060,800 Equity Shares, 1,222,000 Equity Shares and 240,000 Equity Shares held by our promoters, namely Mr. Pradeep Kumar Jain, PNC Project Private Limited and PNC Cold storage Private Limited, aggregating to 5,522,800 Equity Shares will be locked in for a period of three years.

Such Equity Shares being locked in for a period of three years towards Promoters contribution:

- have not been acquired in the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets.
- are not resulting from any bonus issues in the last three years made out of revaluation reserves or reserves created without accrual of cash resources or against equity shares which are

otherwise ineligible for computation of promoters contribution. The bonus issue pursuant to which such equity shares have resulted has been made out of free reserves built out of the profits.

- have not been acquired in the preceding one year at a price lower than the Issue Price.
- have not been pledged.
- do not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

Additionally, specific written consent has been obtained from such promoters in relation to inclusion of the Equity Shares towards minimum Promoters' contribution for lock-in.

In terms of clause 4.14.1 of the SEBI DIP Guidelines, in addition to 20% of post-Issue shareholding of our Company, held by the Promoters and locked in for three years, as specified above, the entire pre-Issue equity share capital of our Company constituting 16,091,200 Equity Shares will be locked in for a period of one year from the date of Allotment in this Issue.

In terms of Clause 4.16.1(a) of the SEBI DIP Guidelines, the Equity Shares held by Persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI DIP Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code. Further, in terms of clause 4.16.1(b) of the SEBI DIP Guidelines, Equity Shares held by the Promoters may be transferred to and among the Promoter Group or to a new promoter or Persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code.

Further, in terms of Clause 4.15 of the SEBI DIP Guidelines, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of the Equity Shares is one of the terms of the sanction of such loans. Additionally, where the Equity Shares held by the Promoters are locked in for a period of three years, the same may be pledged, only if the loan has been granted by such bank or financial institutions, for the purpose of financing one or more of the objects of the current Issue.

3. Our shareholding pattern

The table below presents our shareholding pattern before and after the proposed Issue:

Category/ Name of Shareholder	Pre-Issue		Post-Issue*	
	Number of Equity Shares	Percentage Shareholding	Number of Equity Shares	Percentage Shareholding
Promoters				
Mr. Pradeep Kumar Jain*^¥	6,813,200	31.52	6,813,200	24.67
Mr. Chakresh Kumar Jain*^¥	200	Negligible	200	Negligible
Mr. Yogesh Kumar Jain*^¥	40,200	0.19	40,200	0.15
PNC Project Private Limited	1,222,000	5.65	1,222,000	4.43
PNC Cold Storage Private Limited	240,000	1.11	240,000	0.87
A.S. Infraprojects Private Limited	2,200,000	10.18	2,200,000	7.97
Shri Parasnath Infrastructure Private Limited	940,000	4.35	940,000	3.40
Shri Mahaveer Infrastructure Private Limited	400,000	1.85	400,000	1.45
Sub-Total (A)	**11,855,600**	**54.85**	**11,855,600**	**42.93**
Promoter Group				
PK Jain (HUF)	100,000	0.46	100,000	0.36
NK Jain (HUF)	200	Negligible	200	Negligible
CK Jain (HUF)	234,200	1.08	234,200	0.85
YK Jain (HUF)	180,200	0.83	180,200	0.65
Ms. Madhvi Jain	299,800	1.39	299,800	1.09
Ms. Ashita Jain	199,800	0.92	199,800	0.72
Ms. Meena Jain	90,200	0.42	90,200	0.33
Ms. Renu Jain	56,200	0.26	56,200	0.20

Category/ Name of Shareholder	Pre-Issue		Post-Issue*	
	Number of Equity Shares	Percentage Shareholding	Number of Equity Shares	Percentage Shareholding
Ms. Premwati Jain	180,200	0.83	180,200	0.65
Mr. Abhinandan Jain£€±	32,400	0.15	32,400	0.12
Suash Trading and Manufacturing Private Limited	4,200,000	19.43	4,200,000	15.21
Sub-Total (B)	**5,573,200**	**25.78**	**5,573,200**	**20.18**
Others				
Anil Kumar Rao*	200	Negligible	200	Negligible
Oracle Credit Limited	1,060,000	4.90	1,060,000	3.84
Ginni Fincap Private Limited	1,250,000	5.78	1,250,000	4.53
Shiv Kamal Impex Limited	1,250,000	5.78	1,250,000	4.53
Shining Marbles Private Limited	625,000	2.89	625,000	2.26
Sub-Total (C)	**4,185,200**	**19.36**	**4,185,200**	15.16
Public Issue				
Public	-	-	5,800,000	21.00
Employees	-	-	2,00,000	0.73
Total (A+B+C)	**21,614,000**	**100.00**	**27,614,000**	**100.00**

**Directors of our Company*
^ Directors of PNC Project Private Limited
¥Directors of PNC Cold Storage Private Limited
€Directors of A.S.Infraprojects Private Limited
±Director of Shri Parasnath Infrastructure Private Limited
£Director of Shri Mahaveer Infrastructure Private Limited
*Assuming none of the shareholders purchase any shares.
For further details on Equity Shares held by Promoters and Promoter Group, please refer to note 1 of Notes to the Capital Structure.

4. The list of our top 10 shareholders and the number of Equity Shares held by them is provided below:

(a) Our top 10 shareholders as on the date of filing this Draft Red Herring Prospectus and as of 10 days prior to filing this Draft Red Herring Prospectus i.e. January 5, 2008 are as follows:

S. No.	Name of Shareholder	No. of Equity Shares	Percentage
1	Mr. Pradeep Kumar Jain	6,813,200	31.52
2	Suash Trading and Manufacturing Private Limited	4,200,000	19.43
3	A.S. Infraprojects Private Limited	2,200,000	10.18
4	Ginni Fincap Private Limited	1,250,000	5.78
5	Shiv Kamal Impex Limited	1,250,000	5.78
6	PNC Project Private Limited	1,222,000	5.65
7	Oracle Credit Limited	1,060,000	4.90
8	Shri Parasnath Infrastructure Private Limited	940,000	4.35
9	Shining Marbles Private Limited	625,000	2.89
10	Shri Mahaveer Infrastructure Private Limited	400,000	1.85

(b) Our top 10 shareholders as of two years prior to filing this Draft Red Herring Prospectus, i.e. January 15, 2006 were as follows:

S. No.	Name of Shareholder	No. of Equity Shares	Percentage
1	Mr. Pradeep Kumar Jain	3,406,600	33.74
2	Suash Trading and Manufacturing Private Limited	2,100,000	20.80
3	Ginni Fincap Private Limited	625,000	6.19
4	Shiv Kamal Impex Limited	625,000	6.19
5	Oracle Credit Limited	530,000	5.25
6	NSB Builders Private Limited	350,000	3.47
7	Alpha Formulation Private Limited	345,000	3.42
8	Floret Export Private Limited	320,000	3.17
9	Shining Marbles Private Limited	312,500	3.10
10	Ms. Madhvi Jain	149,900	1.48

5. Our Company, the Promoters, the Directors and the BRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.

6. At least 60% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Net 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. From the existing QIB Portion, 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

7. Under-subscription, if any, in the Retail or Non Institutional Portion would be met with spill over from other categories or combination of categories at the discretion of our Company in consultation with the BRLM.

8. Except allotment of equity shares pursuant to the bonus issue, our Directors, the Directors of our Promoters, the Promoters, or the Promoter Group have not purchased or sold any securities of our Company, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.

9. 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.

10. Except the Pre-IPO Placement, there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

11. There shall be only one denomination of the 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.

12. As on the date of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is 24.

13. We have not raised any bridge loans against the proceeds of the Issue.

14 We have not issued any Equity Shares out of revaluation reserves or for consideration other than cash except for the bonus equity shares issued out of free reserves and shares issued for purchase of business.

15. The Equity Shares held by the Promoters are not subject to any pledge.

16. Only Eligible Employees will be eligible to apply in this Issue under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees can also be made in the "Net Issue" to the public and such Bids shall not be treated as multiple Bids. The Allotment in the Employee Reservation Portion will be on a proportionate basis. The unsubscribed portion, if any, from the Equity Shares in the Employee Reservation Portion will be treated as part of the Net Issue and Allotment shall be made in accordance with the description in the section titled "Issue Procedure" on page 163 of this Draft Red Herring Prospectus.

17. An oversubscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off while finalising the Basis of Allotment.

18. We presently do not intend or propose to alter our capital structure for a period of six months from the Bid Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise.

OBJECTS OF THE ISSUE

The objects of the Issue are to (a) invest in capital equipments; (b) prepayment of debt/advances; (c) equity investments in JVs/SPVs for BOT projects; (d) funding working capital requirements; (e) fund expenditure for general corporate purposes; and (f) achieve the benefits of listing on the Stock Exchanges.

The main objects clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

The fund requirements described below are based on management estimates and our Company's current business plan and have not been appraised by any bank or financial institution. In view of the dynamic nature of the infrastructure construction industry and on account of new projects that our Company may pursue, our Company may have to revise its capital expenditure requirements as a result of variations in the cost structure, changes in estimates, exchange rate fluctuations and external factors, which may not be within the control of the management of our Company. This may entail rescheduling or revising the planned capital expenditure and increasing or decreasing the capital expenditure for a particular purpose from its planned expenditure at the discretion of our Company's management. In case of any variations in the actual utilisation of funds earmarked for the activities described below, increased fund deployment for a particular activity will be met from debt.

Requirement of Funds and Means of Finance

The details of proceeds of the Issue are summasized in the following table:

(Rs. in million)

S.No	Description	Amount
1.	Gross proceeds of the Issue *	[●]
2.	Issue Expenses *	[●]
3.	Net proceeds of the Issue*	[●]

** To be finalized upon determination of Issue Price.*

We intend to utilise the proceeds of the Issue of Rs. [●] ("Net Proceeds") for financing the objects as set forth below:

(Rs. in million)

S.No	Expenditure Items	Total Cost
1.	Investment in capital equipments*	399.14
2.	Prepayment of debt/advances	121.56
3.	Equity investments in JV/SPVs for BOT projects	300.00
4	Funding working capital requirements	392.20
5	General Corporate Purpose	[●]
	Total	[●]

** The Company has not accounted for contingencies and price escalations in calculating the fund requirements.*

The objects of the Issue are proposed to be financed entirely from the Net Proceeds of the Issue.

Whilst the Company intends to utilise the Net Proceeds in the manner provided above, in the event of a surplus, the Company will use such surplus towards general corporate purposes. 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. In the event of any shortfall in the Net Proceeds, the Company will fund requirements from internal accruals.

Details of the Objects

1. Investment in capital equipments

Our Company needs to make investments in capital equipment on a recurring basis. We believe that the ownership of critical and important construction infrastructure equipment has been one of our strengths which have enabled us to qualify for large contracts and complete projects in a timely manner.

We believe that our ownership of suitable construction infrastructure will give us the ability to further integrate our turn-key construction services. We further believe that such investment will enable us to broaden the scope of the services that we provide in house and enable us to execute larger portions of our existing projects and gain access to larger profit margins on the same. We intend to use Rs. 399.14 million from the Net Proceeds for purchase of capital equipment to meet the requirements of our projects.

Our Company has projected a capital expenditure plan of Rs. 399.14 million based on its Order Book as on September 30, 2007 and future requirements as estimated by the management. The details of the orders placed by the Company for the purchase of equipments are provided below:

No	Description of item	Quantity	Amount *(Rs. in million)*	Supplier
1.	Taurus 2516/2 – 3810 mm (150") – Wp Tipper Chassis BS – II	7	9.72	Ashok Leyland Limited
2.	Catepillar Hydraulic Excavator	1	3.88	GMMCO Limited
	Sub Total (A)	**8**	**13.60**	

Additionally, the Company has obtained quotations from suppliers in relation to the purchase of the following equipments:

No	Description of item	Quantity	Amount *(Rs. in million)*	Supplier	Date of quotation
Construction Equipments:					
1	Apollo Asphalt Plant	3	16.02	Gujarat Apollo Industries Limited	December 22, 2007
2	Apollo Model AP 550 Hydrostatic Paver Finisher	4	16.56	Gujarat Apollo Industries Limited	December 22, 2007
3	Apollo Mechanical Paver Finisher Model WM-6	6	10.26	Apollo Construction Equipments Pvt Ltd	December 22, 2007
Earthmoving Equipments:					
4	Caterpillar Motor Grader 120 H	6	56.73	GMMCO Limited	December 22, 2007
5	Caterpillar 320DLR Hydraulic Excavator	5	30.20	GMMCO Limited	December 22, 2007
Material Handling Equipments:					
6	Ashok Leyland Comet CT 1613 (H) /1 (142")	10	11.07	Ashok Leyland Limited	December 22, 2007
7	Caterpillar Wheel Loader 950H	6	54.37	GMMCO Limited	December 22, 2007
8	JCB 3DX IND – Excavator	20	36.60	JCB India Limited	December 6, 2007
9	Hindustan 2021 Z Bar Front End Loader	10	36.47	GMMCO Limited	December 22, 2007
10	Ashok Leyland Taurus 2516/2-3810mm (150")	50	82.59	Ashok Leyland Limited	December 22, 2007
Concrete Equipments					
11	Stetter Transit Mixer Model AM6SHN	10	10.20	Schwing Stetter India Private Limited	December 22, 2007
12	Stetter Batching Plant Mode CP-30	6	24.47	Schwing Stetter India Private Limited	December 22, 2007
	Sub Total (B)	**136**	**385.54**		
	Grand Total (A+B)	**144**	**399.14**		

No second-hand equipment and instruments have been purchased or are proposed to be purchased from Net Proceeds. These equipments are proposed to be acquired in a ready to use condition. The average expected date of supply of these equipments is between two to six months from the date of placement of the order.

2. Prepayment of debts/advances

Our Company has entered into various financing arrangements with banks and financial institutions and other lenders. Our Company intends to utilise Rs. 82.51 million from the Net Proceeds for the prepayment of the following facilities obtained for financing investment in equipment with preference to high cost loans in order to reduce the interest burden on the loans.

(Rs. in million)

Bank/Financial Institution	Equipment	Amounting Outstanding as on November 30, 2007
HDFC Bank Limited	Acquisition of Metso Crusher Barmac 7150 (Imported) *	4.70
HDFC Bank Limited	Acquisition of Metso Crusher Barmac 7150 (Indigenous)	6.70
HDFC Bank Limited	Acquisition of Slip Form Paver Model SP 500 S *	17.79
HDFC Bank Limited	Acquisition of 2 Nos. Batch Mix Plant Capacity 56 Cum//hr.	11.97
HDFC Bank Limited	Acquisition of DG Set 380 KVA	1.46
HDFC Bank Limited	Acquisition of Ashok Leyland Ecomet 912-4200 mm WB Chassis	0.50
HDFC Bank Limited	Acquisition of Volvo Soil Compactor SD-110	1.64
HDFC Bank Limited	Acquisition of Caterpillar (Gmmco) Hydraulic Excavator	3.49
HDFC Bank Limited	Acquisition of Three Stage Metso Crusher (Imported)**	16.46
HDFC Bank Limited	Acquisition of Three Stage Metso Crusher (Indigenous)	17.80
Total		**82.51**

**the loan was availed by the Company in Euro's. Pursuant to a forward cover, the exchange rate has been fixed at I Euro = Rs. 58.80.*
***The loan was availed by the Company in Euro's and the exchange rate has been considered at 1 Euro = Rs. 58.80, which can vary at the time of prepayment.*

Additionally, as on November 30, 2007 our Company has certain interest bearing mobilisation advances outstanding in relation to its ongoing projects. The Company intends to utilise Rs. 39.05 million from the Net Proceeds for the repayment of our mobilisation advance outstanding with respect to the "Expansion and strengthening of Apron an construction of new Taxiway at Lucknow, Airport" awarded by the Airports Authority of India, New Delhi.

Our Company will give preference to repaying high cost debt/advance in order to reduce the interest burden. In view of the dynamic nature of our industry, the Company may have to revise its business plan from time to time and consequently our fund requirement may also change. Thus the Company may reduce or increase the amount of prepayment or repayment of debt/advances.

3. Equity investments in JVs/SPVs for BOT projects

Our Company intends to bid for various road projects on a BOT basis. Such projects require private sector investment in the form of capital infusion with the autonomy to operate and generate revenue. To be able to undertake such projects, our Company may be required to form SPVs or enter into JVs to facilitate the execution of such projects. Typically, these projects involve contracts with concession periods ranging between 12 to 30 years.

Our Company intends to use up to Rs. 300.00 million from the Net Proceeds for equity investments in JVs and SPVs which shall be set up for the execution of BOT projects. Our Company believes that it will derive benefits from its investment in such JVs/SPVs, by being in a better position to bid for various projects on a BOT basis. Except as described below, our Company has not identified any SPV's or JVs in which it will invest in and is not assured of dividends pursuant to such investment.

Our Company has been awarded the tender floated by the Madhya Pradesh Road Development Corporation Limited, Bhopal for development of the Jaora-Nayagaon Road on BOT basis on SH-31 of State Highway. In this regard, a SPV, Jaora-Nayagaon Toll Road Company Private Limited has been formed on July 10, 2007. Our Company has 11.5% of equity participation in the said SPV. For further details relating to JVs, see the section titled "History and Certain Corporate Matters" on page 65 of this Draft Red Herring Prospectus.

It cannot be assured that our Company would be able to identify such SPVs or JVs for making investments. The management, in accordance with the policies of the Board, will have the flexibility in applying such proceeds of the Issue which have been allocated for the above purpose. Our Company is currently executing various projects on a joint venture basis and would continue to invest their part of contribution in such JV in future also. For further details relating to JVs, see the section titled "History and Certain Corporate Matters" on page 65 of this Draft Red Herring Prospectus.

4. Funding working capital requirements

Our current assets and working capital as at March 31, 2007 is as follows:

Particulars	March 31, 2007
Current Assets:	
Inventories	500.36
Sundry Debtors	496.73
Cash and Bank Balance	35.51
Loans and advances	445.77
Total Current Assets (A)	**1478.37**
Current Liabilities	
Sundry Creditors	85.55
Other Liabilities	571.34
Provision for Tax	67.46
Total Current Liabilities (B)	**724.35**
Working Capital (A) – (B)	**754.02**

Our estimated net current assets and working capital ratios as at March 31, 2008 and March 31, 2009 are as follows:

(Rs. in million)

Particulars	March 31, 2008	March 31, 2009
Total Current Assets	2,290.0	2,740.0
Less: Current liabilities (other than bank borrowings and term loan instalment due within one year)	469.8	662.8
Working Capital Gap (C)	1,820.2	2,077.2
Actual projected bank borrowings	1,000.0	1,000.0
Total current liabilities	1,469.8	1,662.8
Net working capital (F)	820.2	1,077.2
Minimum stipulated margin 25% of current assets projected NWC (G)	572.5	685.0
C-G	1,247.7	1,392.2
C-F	1,000.0	1,000.0
MPBF	1,000.0	1,000.0

Assumptions for Working Capital requirements

Particulars	Number of days outstanding
Sundry Debtors	52.0
Inventories	59.0
Other Current Assets	60.0
Current Liabilities	101.0

As on date our Company has a working capital fund based limit of Rs. 1,000 million. For details see the sections titled "Financial Indebtedness" and "Financial Statements" on pages 133 and 94, respectively of this Draft Red Herring Prospectus. Based on our internal estimates and projections as reflected above, we would incrementally require working capital, part of which upto Rs. 392 million, we propose to finance from proceeds of the Issue.

5. General Corporate Purpose

The balance of the Issue Proceeds will be deployed for General Corporate Purpose including but not restricted to capitalisations of new opportunities that may arise anytime in the future, if any.

Schedule of Implementation and deployment of funds

Our Company proposes to deploy the Net Proceeds in the aforesaid projects in the next three Fiscals. The following are the details of the estimated schedule of deployment of funds and the schedule of implementation of the projects:

(Rs. in millions)

S. No.	Object	Schedule of Deployment of funds		Total
		Fiscal 2008	Fiscal 2009	
1.	Investment in capital equipments	50.00	349.14	399.14
2.	Prepayment of debt/advances	121.56	-	121.56
3.	Equity investments in JVs/SPVs for BOT projects	-	300.00	300.00
4.	Funding working capital requirements	-	392.20	392.20
5.	General Corporate Purpose	[●]	[●]	[●]

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses are as follows:

Activity	Expenses* (Rs. in million)	% of Issue size	% of Issue expenses
Lead management fee and underwriting commissions	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
IPO Grading expenses	[●]	[●]	[●]
Others (Registrar's fee, legal fee, etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

* *Will be incorporated after finalisation of the Issue Price*

Interim use of funds

The management of our Company, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilisation for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including investments in mutual funds, deposits with banks, for the necessary duration or for reducing overdrafts. Such investments would be in accordance with investment policies approved by our Board from time to time. Our Company confirms that pending utilization of the Issue proceeds it shall not use the funds for any investments in the equity markets.

Monitoring Utilization of Funds

Our Board will monitor the utilisation of the Issue proceeds. Our Company will disclose the details of the utilisation of the Issue proceeds, including interim use, under a separate head in our financial statements for Fiscal 2008, 2009 and Fiscal 2010, specifying the purpose for which such proceeds have been utilised. In addition, the same shall be disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular, Clause 49 of the Listing Agreement.

No part of the proceeds from the Issue will be paid by our Company as consideration to our Promoters, our Directors, the members of our Promoter Group and key managerial employees.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by us in consultation with the BRLM on the basis of assessment of market demand and on the basis of the following qualitative and quantitative factors for the offered Equity Shares by the Book Building Process. The face value is Rs. 10 and the Issue Price is [•] times the face value of the Equity Shares.

QUALITATIVE FACTORS

Factors external to the Company

- The Government is focused on building infrastructure such as roads, highways, bridges, airports etc;
- The NHAI is awarding road projects on BOT and DBFO basis; and
- Focus on double and four laning of existing single lane highway.

National Highway Break-up	Length (Kms)	Percentage (%)
Single Lane	21,674	32.55
Double / Intermediate Lane	36,936	55.47
Four Lane / Six Lane / Eight Lane	7,980	11.98

(Source: Annual Report 2006-07 Ministry of Shipping Road Transport & Highways)

Factors internal to the Company

- Ability to execute projects in difficult operating conditions in a timely manner;
- High profitability margins and continued growth;
- Continuous growth in bid capacity and pre-qualification capability;
- Significant experience and strong track record;
- Experienced management team and staff; and
- Ownership of high end equipment.

For details of some of the qualitative factors, which form the basis for computing the Issue Price see the sections titled "Our Business" and "Risk Factors" on pages 49 and viii, respectively of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

Information presented in this section is derived from our restated financial statements prepared in accordance with Indian GAAP.

(i) Basic Earning Per Share (EPS) (as adjusted for changes in capital)

Particulars	Face value per share (Rs. 10 per share)	
	Rupees	Weight
Fiscal 2005	2.39	1
Fiscal 2006	4.32	2
Fiscal 2007	6.11	3
Weighted average	**4.89**	

(ii) P/E pre-Issue in relation to Issue Price of Rs. [•]

a. For the year ended March 31, 2007, EPS is Rs. 6.11
b. P/E based on profits after taxes, as restated, for the year ended March 31, 2007 is Rs. [•]
c. Industry P/E

i)	Highest	:	56.4
ii)	Lowest	:	14.7
iii)	Industry Composite	:	48.2

(Source: Capital Market Volume XXII/21Category – December 17-30, 2007.-Categeory: Construction)

(iii) Return on Net Worth in the last three years.

Particulars	RONW %	Weight
Year ended March 31, 2005	12.15	1
Year ended March 31, 2006	16.68	2
Year ended March 31, 2007	19.61	3
Weighted Average	**17.39**	

- Minimum Return on Increased Net Worth required to maintain pre –Issue EPS is [•]

- Net Asset Value per Equity Share.

  Net Asset Value per Equity Share for the Fiscal 2007 is Rs. 62.36

  After the Issue: Rs. [•]
  Issue Price: Rs. [•]

  Issue Price per Equity Share will be determined on conclusion of Book Building Process.

(1) Net Asset Value per Equity Share represents shareholders' equity as per restated financial statements less revaluation reserves and miscellaneous expenses as divided by weighted average number of Equity Shares outstanding as of date.

- Comparison with industry peers

	EPS (Rs)	P/E	RONW%	NAV (Rs.)
PNC Infratech Limited	12.23	[•]	19.61%	62.36
Peer Group				
Nagarjuna Construction Company Ltd.	6.1	56.4	13.6%	63.1
Sadbhav Engineering Limited	26.4	40.8	19.4	190.9
Gayatri Projects Limited	25.6	14.7	20.2	141.0

Note: The EPS, RONW and NAV figures are based on the latest audited results for the year ended March 31, 2007 and P/E is based on trailing twelve months (TTM) and Market data.
Source: Capital Market Volume XXII/21 Category – December 17-30, 2007.Category: Construction

The BRLM believes that the Issue Price of Rs. [•] is justified in view of the above qualitative and quantitative parameters, see sections titled "Risk Factors", "Our Business" and "Financial Statements" on pages viii, 49 and 94, respectively, to have a more informed view.

The face value of the Equity Shares is Rs. 10 each and the Issue Price is [•] times the face value of the Equity Shares.

STATEMENT OF GENERAL TAX BENEFITS

To
The Board of Directors
PNC INFRATECH LIMITED
D-51, Kamla Nagar,
Agra-282005

We hereby report that the enclosed annexure states the possible tax benefits available to PNC Infratech Limited (the "Company") and its shareholders under the current direct tax laws. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefit 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 below are not exhaustive.

This statement is only intended to provide general information to the investors and is neither designated 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 implication arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

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

The contents of this annexure are based on information, explanations and representations obtained by the Company and on the basis of the understanding of the business activities and operations of the Company and the interpretation of current tax laws.

This report is intended solely for your information and for the inclusion in the Red Herring Prospectus ("DRHP") in connection with the proposed Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent

For PURUSHOTTAM AGRAWAL & CO.
Chartered Accountants

(SANJAY AGARWAL)
Partner
M.No. 072696
Place : Agra
Date : January 12, 2008

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

A. SPECIAL TAX BENEFITS

Under the Income Tax Act, 1961 ("Act")

The Company does not enjoy any special tax benefits under the provisions of the Act.

B. GENERAL TAX BENEFITS

a) To the Company

1. The Company will be entitled to amortize preliminary expenses being the expenditure incurred on public issue of shares, under section 35D(2)(c)(iv) of the Act, subject to the limit specified in section 35D(3).

2. As per the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax.

3. As per section 10(38) of the Act, Long term capital gains arising to the company on transfer of long term capital asset being an equity share in a company or a unit of an equity oriented found will be exempt in the hands of the Company, provided such transaction is chargeable to securities transaction tax.

   For this purpose, “Equity Oriented Fund” means a fund –

   (i) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
   (ii) which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

   The Long Term Capital gains exempt under section 10(38) would be liable to book profit tax under section 115JB of the Act.

4. Under Section Proviso to Section 48 of the Income Tax Act, 1961, the long term capital gains of the Company arising on transfer of capital assets other than bond and debentures (not being capital indexed bonds) will be computed after indexing the cost of acquisition, cost of improvement and Long Term Capital Gains would be charged at a rate of 20% as per section 112 on the Income Tax Act plus applicable surcharge and education cess. Alternatively, at the option of the company, in respect of Long Term Capital gains from the sale of listed securities or units or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% plus applicable surcharge and education cess.

5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, if the assessee transfers or converts the long term specified asset into money 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 long term specified asset is transferred or converted into money.

   “Long term specified asset” for the purpose of making investment under section 54EC of the Act, means by bond, redeemable after three years and issued on or after the 1st day of April, 2007;

   (i) by the NHAI constituted under section 3 of the NHAI Act or;
   (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

The investment in the Long Term Specified Asset made by the Company on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees.

6. As per the provisions of section 111A of the Act, short term capital gain on sale of equity shares where the transaction of share is chargeable to securities transaction tax shall be subject to tax @ 10% (plus applicable surcharge and education cess).

7. Additional Depreciation shall be allowable to the extent of 20% of the actual cost of the new machinery or plant, which has been acquired and installed after 31st day of March, 2005 over and above the regular depreciation, pursuant to Section 32(iia) of the IT Act, with specific reference to the 'batching plants', which manufacture Ready Mix Concrete (RMC) both for captive consumption and as well for sale outside.

8. Under section 115JAA(1A) of the Act, credit is allowed in respect of any MAT paid under section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the Act for the assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 7 years succeeding the year in which the MAT credit is allowed.

9. Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share of a company entered into in a recognized stock exchange, i.e., from taxable securities transaction, he shall get rebate from the income-tax equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

10. Under section 80 I A of the Income Tax Act, 100% of profits are deductible for ten consecutive years from the initial assessment year, in case of undertaking which is engaged in business of developing or operating and maintaining or developing, operating and maintaining infrastructure facilities subject to fulfillment of conditions specified in section 80 IA.

b) To the Resident Members of the Company

Under the Income Tax Act, 1961 ("Act")

1. As per the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax.

2. As per section 10(38) of the Act, Long term capital gains arising on transfer of long term capital asset being an equity share in a company or a unit of an equity oriented found will be exempt from tax where the sale transaction has been entered into on recognized stock exchange of India and is liable to securities transaction tax.

3. As per the provisions of section 111A of the Act, short term capital gain on sale of equity shares where the transaction of share is chargeable to securities transaction tax shall be subject to tax @ 10% (plus applicable surcharge and education cess).

4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, if the assessee transfers or converts the long term specified asset into money 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 long term specified asset is transferred or converted into money.

"Long term specified asset" for the purpose of making investment under section 54EC of the Act, means by bond, redeemable after three years and issued on or after the 1st day of April, 2007;

(i) by the NHAI constituted under section 3 of the NHAI Act or;
(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

The investment in the Long Term Specified Asset made by the shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees.

5. Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share of a company entered into in a recognized stock exchange, i.e., from taxable securities transaction, he shall get rebate from the income-tax equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

6. Under Section Proviso to Section 48 of the Income Tax Act, 1961, the long term capital gains of the shareholder arising on transfer of capital assets other than bond and debentures (not being capital indexed bonds) will be computed after indexing the cost of acquisition, cost of improvement and Long Term Capital Gains would be charged at a rate of 20% as per section 112 on the Income Tax Act plus applicable surcharge and education cess. Alternatively, at the option of the share holder, in respect of Long Term Capital gains from the sale of listed securities or units or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% plus applicable surcharge and education cess.

7. As per the provisions of section 111A of the Act, short term capital gain on sale of equity shares where the transaction of share is chargeable to securities transaction tax shall be subject to tax @ 10% (plus applicable surcharge and educational cess).

8. Under Section 10(32) of the Income Tax Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Income Tax Act will be exempt from tax to the extent of Rs. 1,500 per minor child.

Under Wealth Tax Act, 1957

Assets 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.

c) To the Non-Resident Indian Members of the Company

Under the Income Tax Act, 1961 ("Act")

1. As per the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax.

2. As per section 10(38) of the Act, Long term capital gains arising on transfer of long term capital asset being an equity share in a company or a unit of an equity oriented found will be exempt from tax where the sale transaction has been entered into on recognized stock exchange of India and is liable to securities transaction tax.

3. As per the provisions of section 111A of the Act, short term capital gain on sale of equity shares where the transaction of share is chargeable to securities transaction tax shall be subject to tax @ 10% (plus applicable surcharge and education cess).

4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, if the assessee transfers or converts the long term specified asset into money 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 long term specified asset is transferred or converted into money.

   "Long term specified asset" for the purpose of making investment under section 54EC of the Act, means by bond, redeemable after three years and issued on or after the 1st day of April, 2007;

   (i) by the NHAI constituted under section 3 of the NHAI Act or;
   (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

   The investment in the Long Term Specified Asset made by the shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees.

5. Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share of a company entered into in a recognized stock exchange, i.e., from taxable securities transaction, he shall get rebate from the income-tax equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

6. Under Section Proviso to Section 48 of the Income Tax Act, 1961, the long term capital gains of the shareholder arising on transfer of capital assets other than bond and debentures (not being capital indexed bonds) will be computed after indexing the cost of acquisition, cost of improvement and Long Term Capital Gains would be charged at a rate of 20% as per section 112 on the Income Tax Act plus applicable surcharge and education cess. Alternatively, at the option of the share holder, in respect of Long Term Capital gains from the sale of listed securities or units or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% plus applicable surcharge and education cess.

7. As per the provisions of section 111A of the Act, short term capital gain on sale of equity shares where the transaction of share is chargeable to securities transaction tax shall be subject to tax @ 10% (plus applicable surcharge and educational cess).

8. Under Section 10(32) of the Income Tax Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Income Tax Act will be exempt from tax to the extent of Rs. 1,500 per minor child.

9. Where shares of the Company have been subscribed in convertible foreign exchange, Non-Resident Indians (i.e. an individual being a citizen of India or PIO who is not a resident) have the option of being governed by the provisions of Chapter XII – A of the Income Tax Act, which inter alia entitled them to the following benefits :

   (a) As per the provisions of section 115E of the Income Tax Act, 1961, and subject to the conditions specified therein, long-term capital gains arising on the transfer of Company's shares will be charged to Income Tax @ 10% (plus applicable surcharge and education cess).

   (b) Under section 115F of the Act, long-term capital gains arising to a Non-Resident Indian on transfer of shares in the Company, subscribed to in convertible foreign exchange shall be exempt from income tax, if net consideration is invested in specified asset within six months of the date of transfer. If only part of the consideration is so invested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax, if the specified assets are transferred or converted within three years from the date of their acquisition.

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

(d) Under section 115H of the IT 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 IT 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.

(e) Under provision of section 115-I 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 under section 139 of the Act declaring therein that the provision of this chapter shall not apply to him for that Assessment year and if he does so, the provisions of this chapter shall not apply to him for that assessment year; instead the other provision of the Act shall apply.

10. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non- Resident Indian would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non-Resident/Non-Resident Indian.

Under Wealth Tax Act, 1957

Assets 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.

d) To Foreign Institutional Investors (FIIs)

1. As per the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax.

2. As per section 10(38) of the Act, Long term capital gains arising on transfer of long term capital asset being an equity share in a company or a unit of an equity oriented found will be exempt from tax where the sale transaction has been entered into on recognized stock exchange of India and is liable to securities transaction tax.

3. As per the provisions of section 111A of the Act, short term capital gain on sale of equity shares where the transaction of share is chargeable to securities transaction tax shall be subject to tax @ 10% (plus applicable surcharge and education cess).

4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, if the assessee transfers or converts the long term specified asset into money 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 long term specified asset is transferred or converted into money.

   "Long term specified asset" for the purpose of making investment under section 54EC of the Act, means by bond, redeemable after three years and issued on or after the 1st day of April, 2007;

   (i) by the NHAI constituted under section 3 of the NHAI Act or;

(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

The investment in the Long Term Specified Asset made by the shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees.

5. Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share of a company entered into in a recognized stock exchange, i.e., from taxable securities transaction, he shall get rebate from the income-tax equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

6. As per the provisions of section 115AD of the IT Act, FIIs will be taxed on the capital gains income at the following rates :

Nature of Income	Rate of Tax (%)
Long term capital gains	10 percent
Short term capital gains	30 percent/10 percent

The above tax rates would be increased by the applicable surcharge. The benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the IT Act are not available to FIIs.

7. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of FII would prevail over the provisions of the IT Act to the extent they are more beneficial to FII..

e) To Mutual Funds

As per the provision of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulation made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax subject to conditions as the Central Government may, by notification in the official Gazette specify in this behalf.

f) Venture Capital Companies/Fund

In terms of section 10 (23FB) of the Income Tax Act, 1961 all venture capital companies/funds registered with Securities and Exchange Board of India, subject to the condition specified, are eligible for exemption from Income Tax on all their income, including dividend and income from sale of shares of the Company. However, income received by a person out of investment made in a venture capital company or in a venture capital fund will shall be chargeable to tax in the hands of such person.

Notes

1. 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;
2. 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 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;
3. 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;
4. 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

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

For PURUSHOTTAM AGRAWAL & CO.
Chartered Accountants
(SANJAY AGARWAL)
Partner
M.No. 072696
Place : Agra
Date : January 12, 2008

SECTION IV: ABOUT THE COMPANY

INDUSTRY

Unless stated otherwise, all information in this section has been sourced from CRISIL Infrastructure Report - July 2007. For the convenience of readers, certain amounts reported in US dollars in third party reports and reproduced in this section have also been converted into Rupees at the exchange rate of US$1 = Rs. 45, which was the exchange rate used in the CRISIL Infrastructure Report - July 2007 wherever US dollars estimates were unavailable. US dollar amounts reported in other third party reports may have been converted from Rupee amounts into US dollars at different exchange rates than that used for convenience purposes by CRISIL Research. For ease of comparison, certain amounts reported in Rupees in third party reports and reproduced in this section have also been converted into US dollars at the exchange rate of US$1 = Rs. 45. The noon buying rate for Rupees on December 12, 2007 as certified for customs purposes by the Federal Reserve Bank of New York was US$1 = Rs. 39.29.

Overview of the Indian Economy

India is the world's largest democracy in terms of population (1,129 million people) with a GDP of approximately US$4,156 billion in 2006 (estimates). This makes it the fourth largest economy in the world after the United States of America, China and Japan. *(Source: CIA World Factbook)*

In Fiscal 2007, India's agricultural, industrial and services sectors grew approximately 2.7%, 10.0% and 11.2%, respectively *(Source: the CSO website)*. As a result, in Fiscal 2007, while the share of agriculture in GDP declined to 18.5%, the share of industry and services sector increased to 26.4% and 55.1%, respectively. The overall macroeconomic fundamentals are robust, particularly with tangible progress towards fiscal consolidation and a strong balance of payments position.

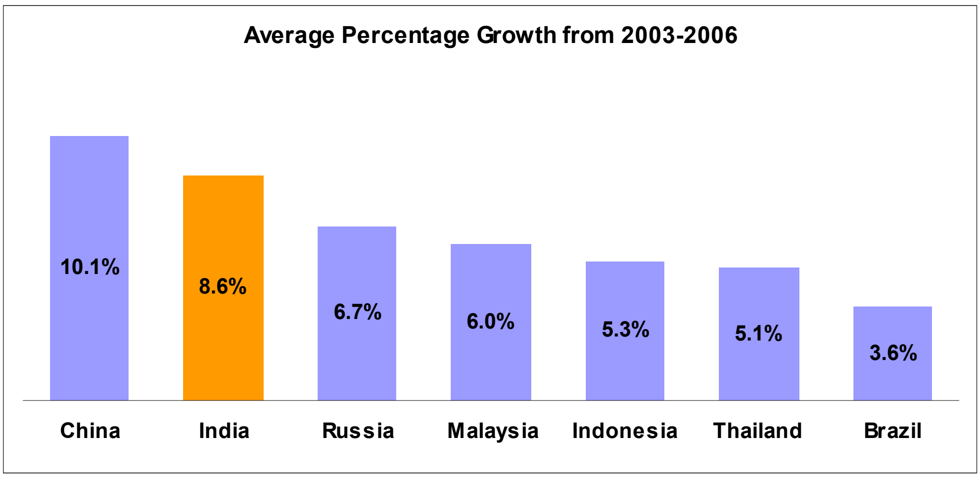
The following table sets forth the key indicators of the Indian economy for the past five Fiscals.

(Annual percentage change, except for foreign exchange reserves)

	As at and for the Fiscal				
	2003	2004	2005	2006	2007
Real GDP growth (1)	3.8	8.5	7.5	9.0	9.2
Index of Industrial Production (2)	5.8	7.0	8.4	8.2	10.8*
Wholesale Price Index (2)	3.4	4.6	5.1	4.1	6.7#
Foreign Exchange Reserves (in US$ billions)	71.9	107.5	135.6	145.1	180.0#

(1) At 1999-2000 prices
(2) Index of industrial production; (base 1993-94=100)
**April to December 2006*
 # As at February 3, 2007
(Source: Economic Survey 2006-2007, RBI)

As shown in the above table, India has experienced rapid economic growth over the past five Fiscals. In a global context, India has experienced GDP growth that is second only to the GDP growth of China for the period from 2003-06. The following table shows the GDP growth of selected countries during this period.



(Source: CRISIL Research)

Construction Industry

Introduction

The Indian construction industry has witnessed rapid growth over the last few years, clearly indicating the benefit of securing 'industry' status. The construction sector is strongly linked to the overall growth and development of the economy. In 2006, the sector accounted for about 14.7% of India's GDP, and around 52.3% of the GFCF.

Until recently, FDI in the real estate sector had been highly regulated. Recent changes in the FDI policy to permit FDI in the real estate sector subject to certain conditions have contributed to the development of organised investment in the sector. These changes, together with the repealing of rent control laws in certain states and rationalisation of property taxes, are expected to trigger Rs 5,295 billion (US$118 billion) of annual investments in the construction industry over the five-year period, Fiscal 2007-2011. Growth in the construction industry (at an implicit trend annual growth rate of 13.5% over the Fiscals 2007-2011 is expected to be led by growth in infrastructure and industrial investments, which are expected to grow at a faster rate than real estate investments. *(Source: CRISIL Research)*

Industry characteristics

Worldwide, the construction sector is characterised by a plethora of players and the Indian scenario is no different. There are around 200 large construction companies currently operating in India. These are mostly large industrial/infrastructure construction companies. The industry is not fixed capital intensive, but working capital intensive.

The construction industry can be broadly classified into:

- Real estate construction (residential and commercial construction);
- Infrastructure (roads, urban infrastructure, power, railways and irrigation, etc); and
- Industrial construction (metals, oil and gas, textiles, automobiles, etc).

Investment Scenario

Civil construction in construction projects varies across segments. For instance, it is almost 100% in roads and housing segments compared with 18–36% in industrial projects. CRISIL expects total investments of Rs. 37,901 billion (US$842.24 billion) over Fiscals 2007-2011 in key infrastructure, key industrial and real estate investments with construction demand worth Rs. 26,473 billion (US$588 billion) from the these investments. As shown in the table below, the construction industry's total investment was Rs. 14,043 billion (US$312 billion) over the Fiscals 2002-2006.

	2002-06 (Rs. billion)	**2007-11 (Rs. billion)**	**CAGR (%)**
Real Estate construction component	10,218	18,517	12.6
Infrastructure construction component	3,213	6,129	13.8
Industrial construction component	612	1,826	24.4
Total	**14,043**	**26,472**	**13.5**

(Source: CRISIL Research)

CRISIL Research expects the following drivers will propel the overall growth in the construction industry:

- Real estate construction: Real estate construction will be driven by favourable demographics, urbanisation, rising affordability levels and fiscal benefits for home loans.
- Infrastructure: Investments in construction of infrastructure will be mainly in the areas of roads, water supply and sanitation, power, railways and irrigation, which are supported by favourable government policies/regulation, increasing private sector participation and availability of funds (budgetary supports and multilateral funds).
- Industrial construction: Industrial construction will be driven by investments in key manufacturing sectors such metals and oil and gas. Investments are mainly driven by buoyant domestic and external demand and high operating rates.

Infrastructure Construction

The Government's emphasis on infrastructure development holds a lot of promise for the construction industry. CRISIL Research's bottom-up assessment of infrastructure projects (underway and proposed) indicates prospective infrastructural construction investments of Rs. 6,129 billion (US$136.2 billion) over the Fiscals 2007-2011, compared with Rs. 3,213 billion (US$71.4 billion) in the Fiscals 2002-2006.

Road projects drive construction investments in the infrastructure sector. Road programmes such as the NHDP and PMGSY, together with state level projects, will provide a fillip to the construction industry. Other sectors such as irrigation (especially in Andhra Pradesh), WSS — driven by JNNURM and Bharat Nirman, railways — driven by freight corridor programmes and other rail capital outlays, and power — driven by capacity additions in thermal and hydel sectors will act as catalysts for construction investment.

The following table shows sector-wise construction investments for the Fiscals 2002-2006 and the forecast for the Fiscals 2007-2011:

	Infrastructure construction investments (Rs. billion)		**Share in total Infrastructure construction investments (%)**	
	2002-06	**2007-11**	**2002-06**	**2007-11**
Power	592	861	18	14
- Thermal	122	301	4	5
- Hydel	377	439	12	7
- Nuclear	31	29	1	0
T&D	62	92	2	2
Roads	1,167	2,306	36	38
Telecom	96	109	3	2
Airports	15	87	0	1
Irrigation	506	744	16	12
Ports	74	204	2	3
Railways	231	639	7	10
Urban infrastructure	532	1,180	17	19
Total	**3,213**	**6,129**	**100**	**100**

(Source: CRISIL Research)

Industrial Construction

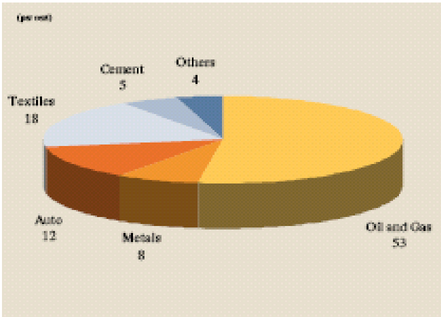
Industrial construction investments account for the smallest percentage (7%) of total construction investment.

Investments in key industrial sectors are expected to increase to Rs. 6,954 billion (US$154.53 billion) over the Fiscals 2007-2011, compared with Rs. 2,274 billion (US$50.53 billion) over the Fiscals 2002-2006. Over the Fiscals 2007-2011, the growth in investments will be driven by strong capacity additions, led by strong demand growth and high existing operating rates across some of the key industries.

Although industrial investments in key industrial sectors are expected to increase to Rs. 6,954 billion (US$154.53 billion), a construction demand of Rs, 1,826 billion (Rs. 40.58 billion), which is equal to 26% of total investments, is expected to trigger the order book position of construction companies. The construction component in the industrial segments is usually low, and the majority of investments are driven by plant and machinery investments.

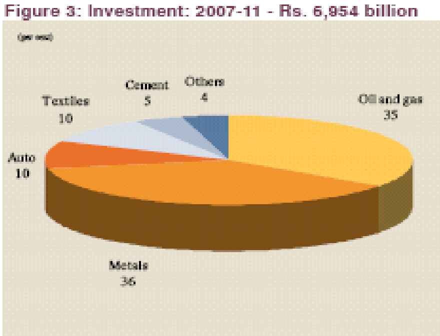
Industrial investments are likely to be driven mainly by metals and oil and gas investments. Together, these sectors are expected to contribute around 72% of the total expected investments. The following pie charts reflect the change in composition of industrial investments over the Fiscals 2007-2011.

Figure 2: Investment: 2002-06 - Rs. 2,274 billion



Source: CRISIL Research

Figure 3: Investment: 2007-11 - Rs. 6,954 billion



Source: CRISIL Research

Real Estate Construction

Over the next few years, growing residential demand, the continued demand from IT and ITES for commercial space, the rising retail demand percolating to urban and smaller cities and favourable policy in the form of FDI will drive the growth of the real estate construction industry. The following table shows the trends in the growth of commercial and residential construction investments:

Sector	(Rs. in billion)		Implicit annual growth
	2002-06	2007-11	(%)
Housing	9,810	17,338	12
Commercial	408	1,179	24
- Office space	174	737	33
- Hotels	33	78	19
- Hospitals	146	267	13
- Retail	55	97	12
Total	**10,218**	**18,517**	**13**

(Source: CRISIL Research)

Indian Infrastructure Industry

Infrastructure is considered a key component of GDP growth. It is believed that a country with an improved infrastructure can enhance GDP growth, while increased GDP growth can trigger the need for further infrastructure development to continue to fuel additional growth. However, in the past India has spent far less on infrastructure than other developed and developing nations. The importance of infrastructure for sustained economic development is well recognised by the Government in its Eleventh Five Year Plan (Fiscal 2008 to 2012). Presently, India spends approximately 4.6% of its GDP on infrastructure compared to countries such as China, Thailand and Vietnam, which are currently investing over 7% of their GDP annually on infrastructure. It is difficult to estimate the exact financing requirement for infrastructure. The quality and quantum of infrastructure required, increases in line with the economy's growth; as a result, the infrastructure target becomes a moving target. The revised draft of the Eleventh Plan Approach Paper states that investments in physical infrastructure would have to increase from 4.6% of GDP at present to around 8.0% in Fiscals 2008-2012 to meet the Government's GDP growth target of 9%. This translates into an investment of around US$310 billion (Rs. 13,950 billion) over Fiscals 2008-2012 *(Source: Planning Commission Vice-Chairman, Mr. Montek Singh Ahluwalia, 2006)*. The table below sets forth CRISIL's estimate for infrastructure investment requirements by sector for Fiscals 2008 to 2012.

Sector	Amount (US$ billion)	Amount (Rs. billion)(1)
Power	74.8	3,366.0
Roads	58.7	2,641.5
Urban Infrastructure	51.1	2,299.5
Railways	42.5	1,912.5
Telecom	36.3	1,633.5
Oil & Gas	60.0	2,700.0
Ports	10.0	450.0
Airports	5.3	238.5
Total	**338.7**	**15,241.5**

(1) Converted from the US dollar amounts stated in CRISIL's Infrastructure Report – July 2007.

These investments are to be achieved through a combination of public investment, public-private partnerships ("PPPs") and exclusive private investments, wherever feasible.

The Role of the Private Sector in Infrastructure Development

Traditionally the government has played a key role in supplying and regulating infrastructure services in India. The private sector historically refrained from significant infrastructure development because of the pervasive nature of market failure associated with infrastructure investment and service provision. However, due to the public sector's limited ability to meet the massive infrastructure funding needs, private sector investment in infrastructure is critical. Therefore, the Indian government is actively encouraging private investments in infrastructure, especially in solid waste management, power, urban water supplies and mass rapid transport system. According to Planning Commission vice-chairman, Mr. Montek Singh Ahluwalia, India would need US$75-80 billion (Rs. 3,375-3,600 billion) worth private investments in infrastructure projects over the next five years. According to World Bank estimates, the share of private sector investment in infrastructure would have to rise from the current 1% of GDP to around 3% of GDP by Fiscal 2010, to meet infrastructure-funding requirements. In absolute terms, this implies that private investments would have to rise to US$20 billion (Rs. 900 billion) per year or US$100 billion (Rs. 4,500 billion) over the five years.

Despite the critical role played by infrastructure development in growth, there still exists a very wide gap of US$10-15 billion (Rs. 450-675 billion) between the current and required levels of private investment in infrastructure. Over the 15-year period from 1990 to 2005, total private investment stood at around $51 billion Rs. 2,295 billion), or a mere US$3.4 billion (Rs. 153 billion) per year, US$30 billion (Rs. 1,350 billion) of which was invested in Fiscals 2002-2006. *(Source: CRISIL Research)*

The Infrastructure Opportunity

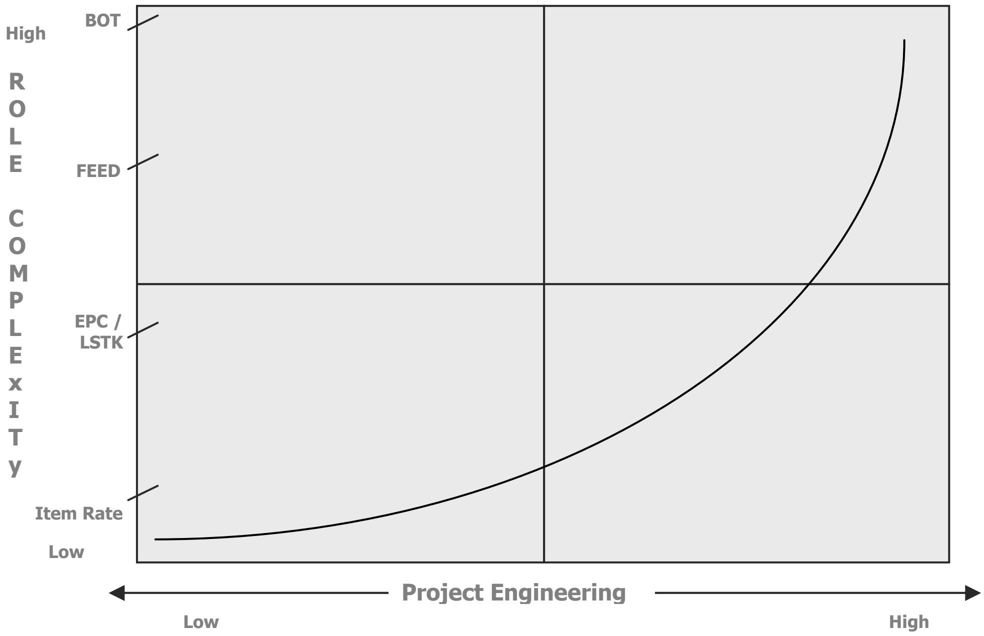
There is a clear need to reduce the dependence of infrastructure on government financing and encourage broad-based private participation in the industry. PPPs offer an effective solution to both the above issues. PPPs enable the government to transfer construction and commercial risks to the private sector and at the same time attract private funds into public infrastructure. Such arrangements are increasingly becoming the preferred vehicle for infrastructure construction, given the large investment needs.

Types of PPP arrangements

In a PPP project, private investors invest in public service infrastructure through one of the following four routes (according to the World Bank classification):

- Concessions: A private entity takes over the management of a state-owned enterprise either to build, rehabilitate and operate or to transfer for a given period.
- Greenfield projects: A private entity or a public-private JV builds and operates a new facility for the period specified in the project contract. The facility may be returned to the public sector at the end of the concession period.
- Divestitures: A private entity buys an equity stake (full or partial) in a state-owned enterprise through an asset sale, public offering, or mass privatisation program.
- Management and lease contracts: A private entity takes over management of a state-owned enterprise for a fixed period, while ownership and investment decisions remain with the state.

Construction Business Models



Types of contracts

There are different models currently being adopted for PPPs in India which vary in the distribution of risks and responsibility between the public and the private sectors for financing, constructing, operating, and maintaining projects. The contracts generally used in the Indian construction industry are explained below.

Item Rate Contracts

These contracts are also known as unit-price contracts or schedule contracts. For item rate contracts, contractors are required to quote rates for individual items of work on the basis of a schedule of quantities furnished by the customer. The design and drawings are provided by the customer. The contractor bears almost no risk in these contracts, except escalation in the rates of items quoted by the contractor, as it is paid according to the actual amount of work on the basis of the per-unit price quoted.

Engineering Procurement Construction/Lump-Sum Turnkey Contracts

In this form of contract, contractors are required to quote a fixed sum for the execution of an entire project including design, engineering and execution in accordance with drawings, designs and specifications submitted by the contractor and approved by the customer. The contractor bears the risk of incorrect estimation of the amount of work, materials or time required for the job. Escalation clauses might exist in some cases to cover, at least partially, cost overruns.

Front End Engineering and Design (FEED) Contracts

Ordinarily, FEED work is carried out as a part of a consultancy assignment where the consultant provides FEED data to the project owner to enable it to take a decision on making a tender for construction. In addition to this, the FEED is also a prerequisite to enable a contractor to bid for EPC/turnkey projects. A FEED project can be an independent consultancy project or a part of an EPC/turnkey contract.

Build, Operate and Transfer (BOT)

Under this type of PPP contracts, the Government grants to a contractor a concession to finance, build, operate and maintain a facility for a concession period. During the life of the concession, the operator collects user fees and applies these to cover the costs of construction, debt-servicing and operations. At the end of the concession period, the facility is transferred back to the public authority. BOT is the most commonly used approach in relation to new highway projects in India, and is also used in the energy and port sectors.

Design, Build, Finance and Operate (DBFO)

The NHAI is planning to award new highway contracts under the DBFO scheme, wherein the detailed design work is done by the concessionaire. The NHAI would restrict itself to setting out the exact requirements in terms of quality and other structure of the road, and the design of the roads will be at the discretion of the concessionaire. The NHAI expects the DBFO scheme will improve the design efficiency, reduce the cost of construction and reduce time to commence operations, in addition to giving the concessionaire greater flexibility in terms of determining the finer details of the project in the most efficient manner.

Joint Ventures (JVs)

JVs are usually project-specific and are contractual obligations among two or more either domestic or foreign contractors. Besides pre-qualifying for projects, JVs are formed to reduce the risk exposure in large projects and combine specialist skills. JVs are usually project-specific, with revenues/profits shared on a pre-determined basis. For instance, in the case of road projects, all the stretches under Phase III of the NHDP have been planned on BOT basis, and therefore, will need higher level of investments. This has compelled small contractors to join hands with bigger contractors, and together on a joint venture basis, bid for the projects. The bigger contractors benefit from the JV as, to some extent, their equity and project completion risk is shared by the other smaller members of the JV. The bigger contractor is likely to get higher margins as compared to smaller contractors as he assumes greater equity risk in the project. The larger projects will also bring in economies of scale and thereby can reduce the construction cost to some extent.

Sub-contracting

Sub-contract arrangements are widespread in the construction industry because of the diversified nature of the jobs in a project. Moreover, the use of sub-contract arrangements enable larger construction companies to maintain flexibility in operations and lower their overheads, while enabling the relatively smaller contractors to gain expertise and increase their turnover. In sub-contracting, smaller companies undertake tasks that are not undertaken by the principal contractor, or specialised tasks, through a sub-contract arrangement. Normally, no more than 30% of a project can be sub-contracted. Sub-contracting practices are adopted by both large and small contractors. Large contractors sub-contract work in India to smaller contractors, while in the international construction market, they undertake sub-contracting activity for larger foreign construction companies. While sub-contracting decreases the capital investment of prime contractors and enhances the likelihood of timely completion and lower overhead expenses, it also results in lower profit margins for the prime contractors.

Roads Sector

India has largest road networks in the world, aggregating to 3.3 million kilometers, consisting of National Highways, expressways, state highways, major district roads, other district roads and village roads. The road network comprises 66,590 km of National Highways, 1,31,899 km of State Highways, 467,763 km of Major District Roads and about 2,650,000 km of other District and rural roads. National Highways comprise only about 2% of the total length of roads and carry about 40% of the total traffic across the length and breadth of the country. *(Source: NHAI website)*

About 65% of freight and 86.7% of passenger traffic is carried by the roads. Although, National Highways constitute only about 2% of the road network but carry about 40% of the total road traffic. The number of vehicle has been growing at an average rate of 10.1% per annum over the years 1999-2000 to 2003-04, whereas the share of road in total traffic has grown from 13.8% of freight traffic and 15.4% of passenger traffic in 1950-51 to an estimated 65% of freight traffic and 86.7% of passenger traffic by the end of 2004-05. *(Source: Dept. of Road, Transport & Highways, Annual report 2006-07)*

National Highway Development Program (NHDP)

The Government has taken initiatives to improve and strengthen the road network by implementing NHDP. The NHDP is the largest highway project ever undertaken in India and is being implemented by the NHAI. It was started in 1995 and is supported by revenues derived from cess on fuel and toll collection. The program has received an encouraging response from private investors.

NHDP consists of the following components:

- The NHDP Phase I and Phase II comprise of the GQ linking the four metropolitan cities in India i.e. Delhi-Mumbai-Chennai-Kolkata, the North-South corridor connecting Srinagar to Kanyakumari including the Kochi-Salem spur and the East-West Corridor connecting Silchar to Porbandar besides port connectivity and some other projects on National Highways. Four-laning of the Golden Quadrilateral is nearing completion. The contracts for projects forming part of NS-EW corridors are being awarded rapidly for targeted completion by December 2009.

- Four-laning of 10,000 kms (NHDP-III) The Union Cabinet has approved the four-laning of 10,000 km of high density national highways, through the BOT mode. The programme consists of stretches of National Highways carrying high volume of traffic, connecting state capitals with the NHDP Phases I and II network and providing connectivity to places of economic, commercial and tourist importance.

- Two laning of 20,000 km (NHDP-IV) With a view to providing balanced and equitable distribution of the improved/widened highways network throughout the country, NHDP-IV envisages upgradation of 20,000 kms of such highways into two-lane highways. This will ensure that their capacity, speed and safety match minimum benchmarks for national highways.

- Six-laning of 6,500 kms (NHDP-V) Under NHDP-V, the Committee on Infrastructure has approved the six-laning of the four-lane highways comprising the GQ and certain other high density stretches, through PPPs on BOT basis. These corridors have been four-laned under the first phase of NHDP, and the programme for their six-laning will commence in 2006, to be completed by 2012. Of the 6,500 kms proposed under NHDP-V, about 5,700 kms shall be taken up in the GQ and the balance 800 kms would be selected on the basis of approved eligibility criteria.

- Development of 1,000 km of expressways (NHDP-VI) With the growing importance of certain urban centres of India, particularly those located within a few hundred kilometers of each other, expressways would be both viable and beneficial. The Committee on Infrastructure has approved 1,000 k.m. of expressways to be developed on a BOT basis. These expressways would be constructed on new alignments.

- Other Highway Projects (NHDP-VII) The development of ring roads, byepasses, grade separators and service roads is considered necessary for full utilisation of highway capacity as well as for enhanced safety and efficiency.

(Source: www.infrastructure.gov.in)

Financing of projects by NHAI

CESS

Government of India introduced a cess on both petrol and diesel. Further, Parliament decreed that the fund so collected were to be put aside in a Central Road Fund (CRF) for exclusive utilisation for the development of a modern road network. Today the cess contributes between Rs 50,000 million to 60,000 million per annum towards NHDP.

Loan assistance from international funding agencies

Loan assistance is available from multilateral development agencies like Asian Development Bank and World Bank or other overseas lending agencies like Japanese Bank of International Co - Operation.

Market Borrowing

NHAI proposes to tap the market by securities cess receipts.

Private Sector Participation

Major policy initiatives have been taken by the Government to attract foreign as well as domestic private investments. To promote involvement of the private sector in construction and maintenance of National Highways, Some Projects are offered on BOT basis to private agencies. After the concession period, which can range up to 30 years, this road is to be transferred back to NHAI by the concessionaries.

NHAI funds are also leveraged by the setting up of SPVs.The SPVs will be borrowing funds and repaying these through toll revenues in the future. This model will also be tried in some other projects. Some more models may emerge in the near future for better leveraging of funds available with NHAI such as annuity, which is a variant of BOT model *(Source: NHAI website)*

Funding of NHDP

Source	**Rs. in million (On 1999 prices)**
Cess on Petrol and Diesel	200,000
External Assistance	200,000
Market Borrowings	100,000
Private Sector Participation	40,000
Total	540,000

(Source: NHAI Website)

Public Private Partnership (PPPs) in roads

Historically, investments in infrastructure, particularly in the highways, were being made by the government mainly due to the huge volume of resources required, the long gestation period, uncertain returns and various external risks. The enormous resource requirements and the concern for managerial efficiency and consumer responsiveness have led in recent times to an active involvement by the private sector also. To encourage participation of the private sector, the Department of Road Transport & Highways has laid down comprehensive policy guidelines for private sector participation in the highway sector. The Government has also announced several incentives such as tax exemptions and duty free import of road building equipments and machinery to encourage private sector participation

The total length proposed to be developed under NHDP has been split into the different contact models:.
- Toll-based BOT projects (BOT (Toll));
- Annuity-based BOT projects (BOT (Annuity)); and
- Engineering, procurement and construction (EPC) contracts.

Under all three contract models, the contractor is responsible for the engineering of the project, the procuring of materials for the project and the construction of the project. For BOT (Toll) and BOT (Annuity), the contractor is also responsible for maintaining the project. The difference between BOT (Toll) and BOT (Annuity) is that in the case of BOT (Toll), the traffic/commercial risks are borne by the concessionaire and the investment is sustained by toll revenues, while in BOT (Annuity) projects, all costs are borne by the Government in the form of deferred budgetary payments. In the case of BOT (Toll), government budgetary support, if any, is restricted to an upfront grant, while in some cases the concessionaire may even pay the granting authority a one off fee as part of the concession grant. In the case of BOT (Annuity), the concessionaire relies on annuity payments determined by competitive bidding and made out of budgetary allocations spread over time.

In order to boost the participation of the private sector in road development, the Government has planned the following initiatives:
- The Government will carry out all preparatory work, including land acquisition and utility removal. Right of way will be made available to concessionaires, free from all encumbrances;
- NHAI/the Government will provide a capital grant of up to 40% of the project cost to enhance viability on a case-by-case basis;
- The concessionaries will receive a 100% tax exemption for five years and 30% relief for the following five years, which may be utilised in 20 years;
- Permitted concession period of up to 30 years;
- Arbitration and Conciliation Act 1996 based on UNICITRAL provisions applicable to contracts;
- In BOT projects, concessionaries are permitted to collect and retain tolls; and
- Duty free importation of specified modern high capacity equipment for highway construction.

(Source: NHAI website)

State Road Networks

The road network in most Indian states is deficient in terms of quality and connectivity. In the past, development has been along certain corridors/sectors and hence large parts of many states are still not well connected and the road network requires substantial improvement.

In most states, the road and bridges division of the Public Works Department is responsible for the development of the primary road network, whereas the rural roads are maintained by the Panchayat Raj Department. Many states have also formed dedicated State Road Development Corporations, which have helped in raising money and having effective implementation.

There has been progress in the development of the road sector across states since the mid-1990s but certain states have led the other like Maharashtra, Gujarat, Madhya Pradesh, Andhra Pradesh and Karnataka. These states have been more proactive in creating road development corporations, enabling private sector participation and have managed to fund their projects more efficiently through market borrowings, cess and motor vehicle taxes.

Funding

One of the primary reasons for the lack of development and poor maintenance of the existing state roads has been lack of funds. Largely the funding has come through budgetary allocations of the State Governments, and to some extent has been supplemented by Central Government, National Bank for Agricultural and Rural Development (NABARD) under Rural Infrastructure Development Fund.

States receive their share of the cess revenues collected under the Central Road Fund, through cess levied on petrol and diesel. However, the requirement of funds for the development of state roads is higher, and hence, the funds from this source are not sufficient. Many State Governments have adopted the following approaches to supplement the funding from the Central Government.

- Funds from the external funding agencies – Agencies like the Asian Development Bank, World Bank and Japan Bank for International Cooperation (JBIC) have funded projects in Tamil Nadu, Karnataka, Andhra Pradesh and Gujarat. Total funding is usually 70% of the total project cost.
- Establishment of Road Funds – Various states, including Tamil Nadu and Kerala, have created funds through which they have raised monies by levying cess/tax on petroleum products and vehicles. These funds are in addition to their share received from Central Road Funds.
- Privatisation – The experiment of BOT projects has succeeded in several places, including the states of Maharashtra, Madhya Pradesh and Gujarat.

AIRPORTS

The quality of airport infrastructure contributes directly to a country’s international competitiveness and economic growth by facilitating the smooth movement of people and high value cargo, spurring trade and tourism. In the past, airport development has not kept pace with the growth of the Indian economy, especially the quantum jump in passenger and cargo air traffic since 2002. As a result, several major airports are congested and offer inefficient services.

Table 1.1

AIRCRAFT MOVEMENT

YEAR	International		Domestic		Total	
	No. in (000's)	% change	No. in (000's)	% change	No. in (000's)	% change
1999-00	99.70	-	368.02	-	467.72	-
2000-01	103.21	3.50	386.58	5.00	489.79	4.70
2001-02	107.82	4.50	402.11	4.00	509.93	4.10
2002-03	116.44	8.00	444.21	10.50	560.65	9.90
2003-04	136.19	17.00	505.20	13.70	641.39	14.40
2004-05	163.27	19.90	554.32	9.70	717.59	11.90
2005-06	190.87	16.90	647.51	16.80	838.38	16.80
April-June 2006-07	51.07	18.30	191.15	32.20	242.22	29.00

Table 1.2

PASSENGER TRAFFIC

YEAR	International		Domestic		Total	
	No. in million	% change	No. in million	% change	No. in million	% change
1999-00	13.29	2.90	25.74	6.90	39.03	5.50
2000-01	14.01	5.40	28.02	8.80	42.03	7.70
2001-02	13.63	(-)2.70	26.36	(-)5.90	39.99	(-)4.90
2002-03	14.83	8.80	28.90	9.60	43.73	9.40
2003-04	16.64	12.20	32.14	11.20	48.78	11.60
2004-05	19.42	16.70	39.86	24.00	59.28	21.50
2005-06	22.37	15.45	50.98	27.90	73.35	23.70
April-June 2006-07	5.91	16.30	16.61	48.00	22.52	38.10

Table 1.3

CARGO (in '000 tonnes)

YEAR	International		Domestic		Total	
	Quantity	% change	Quantity	% change	Quantity	% change
1999-00	531.80	12.00	265.60	18.30	797.40	14.00
2000-01	557.80	4.90	288.30	8.60	846.10	6.10
2001-02	560.20	0.40	294.00	2.00	854.20	1.00
2002-03	646.10	15.30	333.20	13.30	979.30	14.60
2003-04	693.20	7.30	375.40	12.70	1068.60	9.10
2004-05	823.60	18.80	456.70	21.60	1280.30	19.80
2005-06	920.20	11.70	483.80	5.90	1404.00	9.70
April-June 2006-07	254.60	15.20	121.70	5.10	376.30	11.70

(Source: Ministry of Civil Aviation)

As can be noted from above, the civil aviation traffic in the country has been increasing at an unprecedented growth rate. Aircraft traffic movement over the years from 2002 to 2006 has grown steadily from 9.9% in 2002-03 to 16.8% in 2005-06. Passenger traffic has growth from 9.4% to 23.7% in the same period.

The Government expects these trends to continue on the back of rapid economic growth, and increasing investment patterns and trade activities. In order to meet the increasing needs in terms of traffic, air movement, and cargo, the government is taking steps to increase private participation in developing airport infrastructure in India through PPPs models.

Airports Authority of India ("AAI") has taken action for the development of infrastructure in the country through the JV route in respect of the modernization of Delhi and Mumbai airports and development of Greenfield airports and Bangalore and Hyderabad. The AAI has also drawn an action plan to develop and modernise 35 non-metro airports. This is envisaged on a model where-in cityside will be developed through the PPP model, where as airside will be developed by the AAI. In addition, developmental work at other airports is also being taken on as per requirements.

An investment of about Rs. 400,000 million is projected for the development of airports during the period 2006-07 to 2013-14, of which approximately Rs. 310,000 million is envisaged from PPPs. Implementation of development plans on these lines has already commenced.

Table 1: Airport development programme presented to CoI **(Rs. in crore)**

Particulars	Airport	Indicative Cost
Restructuring / Modernisation for world class airports	Delhi & Mumbai Chennai & Kolkata	15,000 5,000
Greenfield airports	Bangalore, Hyderabad, Goa, Pune, Navi Mumbai, Nagpur (Hub) & Greater Noida	10,000
Upgradation	25 selected airports	7,000
Modernisation / Improvement	55 airports	3,000
Total investment by 2010		40,000

Power

Introduction

The Indian power sector has undergone a variety of reforms focused on encouraging private sector participation, since the early 1990s. The reforms make state electricity boards viable by unbundling them into generation, transmission and distribution utilities, privatising distribution and providing choice to some categories of consumers. But despite these reforms, the ability of the power sector to attract private sector investment remains low. High transmission and distribution losses, poor capacity utilisation, irrational tariff structure, grid disturbance and low creditworthiness of the purchasers of electricity have discouraged active private sector participation.

The Government of India has an ambitious mission of "Power for all by 2012". The mission requires significant capacity additions, especially towards expanding the regional transmission network and inter-regional capacity to transmit power. The Government has estimated the investment potential of the sector at Rs. 9,000 billion for Fiscals 2004-2011. CRISIL estimates the total investment potential in the power sector for the five-year period spanning Fiscals 2008 to 2012 at Rs. 3,367 billion. Currently, five mega power projects are in the pipeline, at an estimated cost of Rs. 751 billion, to be funded mainly by the private sector, in addition to the given budgetary support. *(Source: Crisil & Minitry of Power)*

Demand-Supply

Electricity demand increased at a CAGR of 4.5% from 507 billion KWH in Fiscal 2001 to 631 billion KWH in 2005-06. However, supply increased at a CAGR of around 4.4%, from 467 billion KWH to 579 billion KWH during the same period. As a result, energy shortage grew from 40 billion KWH (8.5%) in 2000-01 to 52 billion KWH (9%) in Fiscal 2006. The high energy shortage is primarily due to underinvestment in the sector. *(Source: Crisil)*

Generation

India generated 616 billion KWH of electricity in Fiscal 2006. Though India and China had nearly the same generation capacity in the 1950s, China currently has three-times more capacity than India (508 GW compared with 124 GW as of the end of 2005). The poor performance of India's existing generating units has been a principal cause of power shortages and unreliable quality of power supply. The average plant load factor of thermal power stations in India is less than 75%, but varies considerably across regions. The gas-based plants, however, operate at a lower plant load factor of 50-60% due to a tight supply of gas. *(Source: Ministry of Power)*

Transmission and Distribution

In India, the transmission and distribution system is a three-tier structure comprising distribution networks, state grids and regional grids. These distribution networks and state grids are primarily owned and operated by the respective state electricity boards (or state electricity departments. Most inter-state transmission links are owned and operated by the Power Grid Corporation of India Ltd., while some are jointly owned by the state electricity boards concerned. In addition, Power Grid Corporation of India Ltd. owns and operates many inter-regional transmission lines (part of the national grid) to facilitate the transfer of power from surplus to deficit regions.

Investments in the transmission and distribution sector have been inadequate due to the emphasis on generation capacity. In fact, the average outlay for transmission and distribution in the Five Year Plans has been only about 25-30% of the total outlay for the power sector. Thus, the present transmission and distribution system is characterised by low reliability and high losses of over 30%, compared with 10-15% in developed countries. *(Source: Ministry of Power)*

Outlook and Investment Opportunities

CRISIL Research expects energy demand to increase at a CAGR of 6.2% in the medium term. With a gradual reduction in transmission and distribution losses, demand is expected to increase at a CAGR of around 5.0%, while supply is expected to increase at a CAGR of 6.0%; hence, the overall deficit is expected to reduce from 9.9% in Fiscal 2007 to around 5.0% in Fiscal 2012. The Sixteenth Electric Power Survey expects demand to increase from 529 billion KWH in Fiscal 2002 to 975 billion KWH in Fiscal 2012. Peak demand is expected to increase from 85,132 MW to 157,013 MW during the period.

The following table sets forth tentative capacity addition plan in the Eleventh Five Year Plan (Fiscal 2008-2012) and the expected investment due to the planned capacity additions.

	2007-08	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**Total**
Thermal	8,364	8,697	8,146	6,385	6,400	37,992
Hydel	1,591	1,174	1,537	1,096	1,100	6,498
Nuclear	500	1,000	500	500	500	3,000
Total (MW)	**10,455**	**10,871**	**10,183**	**7,981**	**8,000**	**47,490**
Expected investment due to planned capacity addition (US$ billion)						
Generation	10.6	11.0	10.3	8.1	8.2	48.2
Transmission	3.5	3.6	3.4	2.6	2.6	15.7
Distribution	2.0	2.3	2.4	2.0	2.1	10.8
Total	**16.1**	**16.9**	**16.1**	**12.7**	**12.9**	**74.7**

(Source: CEA and CRISIL Research)

In power generation, a number of projects have been identified as mega power projects. Power Trading Corporation has been incorporated to buy power from mega power projects under long-term power purchase agreements and sell it to beneficiary states. Transmission projects for power transfer are available for competitive bidding by the central transmission utility (Power Grid Corporation of India Ltd.) and state transmission utilities (state electricity boards/grid corporations). Power distribution may present attractive investment opportunities and several state governments have agreed to allow the gradual entry of the private sector in distribution.

OUR BUSINESS

Overview

We are an engineering and infrastructure construction company in India. We are a fast growing company with expertise in the execution of major infrastructure projects including highways, bridges, flyovers, airport runways and allied activities.

We were incorporated in 1999 and are headquartered in Agra. We have executed or are executing projects across various states in India covering north, south, east and west of India. Drawing from the experience of our Promoters who started this business in 1989, we have acquired significant expertise in the timely execution of EPC contracts. We were awarded bonus by the NHAI for the completion of one of its projects before the scheduled time. We have also recently forayed into execution of highway projects on a BOT basis.

We execute most of our projects independently. When a client requires us to meet specific eligibility requirements in relation to certain large projects, including requirements relating to particular types of experience and financial resources, we enter into JVs with other construction companies. Of the 14 major infrastructure projects executed by our Company since incorporation, 12 projects have been executed independently by us.

Our major clients include:

- National Highways Authority of India;
- Airports Authority of India;
- Public Works Department;
- RITES Limited (a Government of India Enterprises);
- Military Engineer Services (Ministry of Defence); and
- Madhya Pradesh Road Development Corporation Limited.

Some of the prominent projects successfully completed by us include:

- Four Laning of Km. 24 to Km. 41 of Agra Gwalior Section of NH-3 including construction of Road Over Bridge Contract Package No. NS-19;
- Four Laning of Km. 8 to Km. 24 of Agra Gwalior Section of NH-3 including construction of major bridge on Khari River Contract Package No. NS-4;
- Short term improvement and Maintenance of Panipat Jalandhar Section from Km. 96.00 to Km. 372.86 on NH-1 including collection of user fee (Toll);
- Short term improvement and routine maintenance of Panipat Jalandhar Section (Km.96.00 to Km.371.00);
- Strengthening of main runway 19L/01R and proving CAT-II lighting at 19L approach at NSCBI Airport, Kolkata;
- Up-Gradation of Airstrips for operations of Boeing 737 Type of Aircraft at Saifai Etawah (Uttar Pradesh); and
- Sagar Beena (Funded by Asian Development Bank) Road 71.80 Km. under Madhya Pradesh Road Sector Development Program Phase-I.
- Resurfacing of runway, taxiway at civil airdrome, Raipur, Madhya Pradesh.

Currently, we are executing over 18 major infrastructure projects of which three projects are being executed with our JV partners. Among the infrastructure projects that we are currently executing, 13 projects aggregating to a contract value of Rs. 8,947.90 million relate to road construction and five projects aggregating to Rs. 996.80 million relate to construction of airport runways.

As on September 30, 2007, we had about 1,500 employees, of which 150 employees comprised of engineers and other qualified professionals. We own a large fleet of sophisticated construction equipments, including hot mix batch type plant, WMM plant, slip form paver finisher 9.00 meter width, paver finisher (sensor) 5.5 meter width, fixed form paver crushers, excavators, cone cranes (imported), transit mixer, concrete pump and concrete batching plants etc. We believe that our employee resources and fleet of equipments, along with our engineering skills and capabilities, enable us to successfully implement a wide variety of construction projects that involve varying degrees of complexity.

We enjoy accreditations, such as the ISO 9001:2000 certification for quality assurance and the "SS" (Super Special Class) under Military Engineer Services for unlimited value of contracts. We have also received accolades and appreciation certificates for some of our projects, such as for the construction of the Agra-Gwalior Road (NH-3) from NHAI and for the Bangalore airport runway (MES) project from the Ministry of Defence.

In the Fiscals 2007, 2006 and 2005, our contract revenues were Rs. 2,438.17 million, Rs. 1,424.51 million and Rs. 1,120.87 million, respectively. In the Fiscals 2007, 2006 and 2005, we earned PAT of Rs. 132.17 million, Rs. 90.41 million and Rs. 46.20 million, respectively. We have earned aggregate revenue of over 4,200 millions from the independent projects and 776.35 million from the JV projects during Fiscal 2005, 2006 and 2007. Our Order Book which includes un-commenced projects and unfinished and uncertified portions of our projects, was Rs. 9,944.70 million as on September 30, 2007 compared to Rs. 5,009.30 million as of September 30, 2006

Our Strengths

- ***High profitability margins and continued growth***

  We have experienced continuous growth in our revenues and profitability in recent years. Our revenue has increased from Rs. 1,130.28 million in Fiscal 2005 to Rs. 2,564.20 million in Fiscal 2007. During the same period, our PAT has grown from Rs. 46.20 million to Rs. 132.17 million. Our EBITDA margin of 8.35% for Fiscal 2005 increased to 14.08% in Fiscal 2007. Our PAT margins have increased from 4.09% in Fiscal 2005 to 5.15% in 2007. The increase in our profit margins is attributable to our ability to focus on high growth and high revenue potential projects including large projects. We have also benefited from certain contractual arrangements for the long term supply of petroleum products, machineries and other materials on an interest free credit basis.

- ***Ability to execute projects in a timely manner***

  We have been able to mobilise resources including equipment, raw material and personnel to our project sites at short notice, as we own a significant component of equipments and personnel required. We have also built up significant storage facilities for critical materials, such as petroleum products, machinery, machinery parts and cement. Additionally, we have been successful in operating in a timely manner in difficult terrains and in adverse weather conditions besides facing unavailability of key resources like personnel, material, machinery in the vicinity of our project sites and security challenges, etc.

  For instance, we were awarded bonus by NHAI for the completion of one of its projects before scheduled time. We have also received accolades and appreciation certificates for some of our projects, such as for the Agra-Gwalior Road (NH-3) from NHAI and for the Yelahanka Airport Bangalore (Military Engineer Services) project from the Ministry of Defence.

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

  Our business and growth are significantly dependent on our ability to bid for and secure larger and more 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 formulae of agencies such as the NHAI etc. Bid capacity also includes the highest possible value of a single project that can be awarded to us. In addition to meeting bid capacity requirements, we may also be required to pre qualify for the projects. This includes past experience in the execution of similar projects, technical ability and performance, reputation for quality, safety standards, financial strength and the price competitiveness of the bid. Hence, it is imperative to enhance our bid capacity and pre qualification capability. We have focussed on increasing both these parameters and have continuously increased our bid capacity and the largest order that we can bid for.

- ***Ownership of a large fleet of sophisticated equipment***

  We have ownership of a large fleet of sophisticated construction equipment such as hot mix batch type plant, WMM plant, slip form paver finisher 9.00 ft. width, paver finisher (sensor) 5.5 meter width, fixed form paver crushers, excavators, cone cranes (imported), transit mixer, concrete pump and concrete batching plants etc. The average age of our equipments is approximately 2-3 years and the cost of our equipment as on September 30, 2007 is 757.50 million. We generally do not take any equipment on lease basis.

Ownership of such a large fleet of high end equipment enables quick mobilization besides ensuring continuous availability of critical equipment. This ownership model of equipment aids us significantly by giving us an edge over competition and reducing our costs. Further, the gestation period to commence work after the project is awarded is minimal as we own the equipments required for a project that we bid for and personnels are on our rolls.

- ***Highly qualified management team and experienced employee base***

  Our management team is well qualified and experienced in the construction industry and has been in many ways responsible for the growth of our operations. In particular, our individual promoters, who are also a part of the management have over 20 years experience each in the infrastructure development sector, and have been instrumental in driving our growth since inception of our business and are involved in the day to day operations of our Company. For details on the qualifications and experience of our senior management team, see the section titled "Our Management" on page 70 of this Draft Red Herring Prospectus. We believe the strength and quality of our Promoters and management have been instrumental in driving our growth and implementing our strategies.

  We believe that a well-trained, motivated and satisfied employee base is fundamental to our competitive advantage. As on September 30, 2007, we had about 1,500 employees of which 150 were engineers and other qualified professionals. The skill sets of our employees give us the flexibility to adapt to the needs of our clients and the technical requirements of the various projects that we undertake. We are committed to the development of the expertise and know-how of our employees through regular technical seminars and training sessions organized or sponsored by our Company. The experience gathered over the years by our management team enables taking quick decisions thereby ensuring that projects are executed within the contracted timelines. This also enables us to meet required standards of quality and efficiency.

Our Strategy

Our growth strategy consists of the following principal elements:

- ***Diversify and expand into new functional areas and geographic areas.***

  We have acquired significant expertise in EPC contracts and we have also recently forayed into BOT contracts for road projects and we further intend to diversify into power transmission, distribution and railway civil works. Additionally, while we have presence across various states in India, we intend to further extend our operations across India as part of our future business model. We believe that further expanding our geographical presence and expanding into new functional areas will allow us to take leverage on projects proposed by the Government and consolidate our position in the civil construction sector.

- ***Maintain performance and competitiveness of existing business***

  We believe that infrastructure will be a major driver for growth in the Indian construction industry in the foreseeable future due to increased levels of government and private industry investment in infrastructure. Additionally, the government has taken steps to encourage additional investments in infrastructure, and providing economic benefits to private sector participants for projects executed on a BOT or annuity basis. Thus, there will be numerous opportunities for infrastructure creation. We have also continually focussed on increasing our bid capacity and prequalification ability to enable us to bid for larger projects. A key element of our growth strategy is to, besides committing to grow through expansion, seek to improve the performance and competitiveness of existing activities, i.e. in the construction of roads and airport runways.

- ***Bid for win and operate BOT projects***

  The government has planned for a number of BOT projects across the road sector, which we intend to bid for. We believe that such projects will increasingly become more prevalent in the coming years because of the government's reliance on the PPP model. BOT 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, BOT projects offer the possibility of higher revenues to the contractor by virtue of better than anticipated use of the asset. We intend to increase our focus on BOT and 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 and annuity projects on our own or in alliance with other construction companies.

- ***Develop and maintain strong relationships with our clients and strategic partners***

  Our services are significantly dependent on winning construction projects undertaken by large government agencies and companies, and infrastructure projects undertaken by governmental authorities and others and funded by governments. Our business is also dependent on developing and maintaining strategic alliances with other contractors with whom we may want to enter into project-specific JVs or subcontracting relationships for specific purposes. We will continue to develop and maintain these relationships and alliances. Besides, we have also, in the past, bid for various projects jointly with other Indian and international construction companies. We intend to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our opportunities. We will continue to jointly bid for projects with other companies to build good working relationships with domestic and foreign companies which would enable us to leverage their strengths and to build competencies.

- ***Attract, train and retain qualified personnel***

  We understand that maintaining quality, minimising costs and ensuring timely completion of engineering and construction projects depends largely on the skill and workmanship of our employees. As competition for qualified personnel and skilled labours are increasing among construction companies in India and as we pursue greater growth opportunities, we seek to attract, train and retain qualified personnel and skilled labours by increasing our focus on training our staff in advanced and basic engineering and construction technology and skills. We also offer our engineering and technical personnel a wide range of work experience and learning opportunities by providing them with an opportunity to work on a variety of large, complex construction projects and forming cross functional teams with the objective of giving them an opportunity to innovate.

- ***Continue to invest in equipments***

  We intend to continue to invest in equipments to support our expanding operations. We believe investments in newer models of equipment ensure continuous availability of critical equipment and renders our operations to be cost effective. We intend to purchase equipments from domestic and foreign manufacturers and continue our strategy of minimally relying on hired or leased equipments.

Our Services

Infrastructure

We have developed skill sets in providing engineering and construction services of infrastructure projects. We have successfully completed and are currently engaged in a number of transportation engineering projects, including roads, highways, bridges, flyovers and runways. All our projects are meticulously planned in terms of material, manpower, machinery and finance. Our senior management is involved hands on in the day to day affairs and ensures timely availability of all resources. This meticulous planning has enabled us to work in logistically difficult terrains and inclement operating conditions.

Some of the significant projects which we have undertaken and completed until date are summarised as follows:

Highways Projects
- Four Laning of Km. 24 to Km. 41 of Agra Gwalior Section of NH-3 including construction of Rail Over Bridge Contract Package No. NS-19 ofNHAI;
- Four Laning of Km. 8 to Km. 24 of Agra Gwalior Section of NH-3 including construction of major bridge on Khari River Contract Package No. NS-4 of NHAI;
- Short term improvement of Panipat Jalandhar Section from Km. 96.00 to Km. 372.86 on NH-1 including collection of user fee (Toll) of NHAI;
- Short term improvement of Panipat Jalandhar Section (Km.96.00 to Km.371.00) of the NHAI;

- Improvement and repair of NH-2 from Km. 199.66 to Km. 290.00 in the State of Uttar Pradesh (NH-2/UP-3) of the NHAI ;
- Improvement of road of 71.30 km from Sagar to Bina in Madhya Pradesh by the Madhya Pradesh Road Development Corporation Limited (Asian Development Bank funded);
- Construction of new road admeasuring 48 km in magnet city of Special Area Development Authority of M.P.Government at Gwalior; and
- Major maintenance work of road measuring 45 km of Uttar Pradesh PWD, (World Bank funded) at Bareilly-Badaun.

Airport runway projects
- Strengthening of main runway 19L/01R and proving CAT-II lighting at 19L approach at NSCBI Airport, Kolkata of Airport Authority of India;
- Up-Gradation of Airstrips for operations of Boeing 737 Type of Aircraft at Saifai Etawah (Uttar Pradesh) of RITES Limited;
- Resurfacing / strengthening of runway and allied works at Ghazipur (Uttar Pradesh) of RITES Limited;
- Resurfacing / strengthening of runway and allied works at Farrukhabad (Uttar Pradesh) of RITES Limited;
- Repairs, resurfacing, regarding of shoulders of existing runway and area drainage works at Air Force Station Yelahanka, Bangalore of Military Engineers Services (Ministry of Defence);
- Resurfacing of runway, taxiway at civil airdrome, Raipur, Madhya Pradesh; and
- Resurfacing of hard standing at Mehra Chowk at 402 AFS Chakeri, Kanpur of Military Engineers Services (Ministry of Defence); and
- Construction of runway, taxi track, civil airport, Merut, Uttar Pradesh.

Order Book as on September 30, 2007

Our Order Book comprises the unfinished and uncertified portion of projects that we have undertaken and includes the value of sub-contracting agreements that we enter into with our JVs for work to be performed by us. In our industry, the order book is considered an indicator of potential future performance since it represents a significant portion of the likely future revenue stream. Our strategy is not focused solely on adding contracts to the Order Book but instead is focused on capturing quality contracts with potentially high margins. The major orders constituting our Order Book as on September 30, 2007 was Rs. 9,944.70 million. The orders in our Order Book are subject to cancellation and modification provisions contained in the various contracts and other relevant documentation.

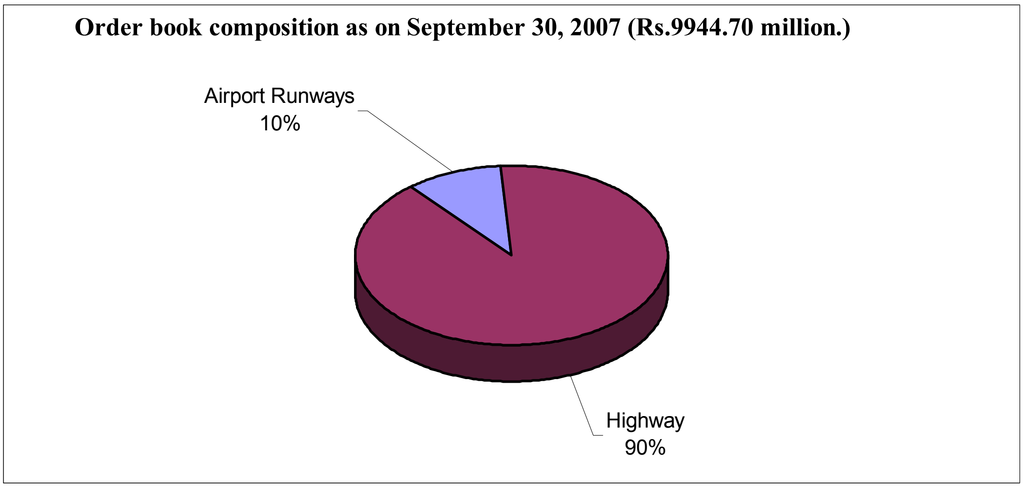
The following table sets forth certain information covering the significant contracts in our Order Book by outstanding value as on September 30, 2007:

Sr. No.	Name of Project	Client	Location	Amount outstanding as on September 30, 2007 (Rs. in million)*
Highway Construction Projects				
1	Four laning of Km.51.00 to 61.00 (including Chambal Bridge) on Dholpur-Morena Section of NH-3 on North-South Corridor in the State of Rajasthan/ Madhya Pradesh (Package No. NH-1/RJ-MP/1)	National Highways Authority of India	Rajasthan	2,302.80
2.	Development of Jaora-Nayagaon Section From Km.125.00 to Km.173.00 (48 Km.) on SH-31 to 4-Lane section in the State of Madhya Pradesh on BOT basis.	Jaora-Nayagaon Toll Road company pvt. Ltd.	Madhya Pradesh	2,688.30
3.	Widening & strengthing of NH-24 from Km.93.00 to Km. 149.25 to four lane Standards (Garhmukteshwari to Moradabad) and Constrution of ROB in Km. 181 of NH-24 and bridges on NH-87 in Uttar Pradesh (Package-II)	National Highways Authority of India	Uttar Pradesh	1,430.20
4.	Rehabilitation and Up-gradation of 1.Gairatganj-Silwani-Gadarwada (SH-44), 2. NH-12 Juncation to Silwani (SH-15) and 3. Bareli-Pipariya Road (SH-19)	Madhya Pradesh Road Development Corporation Ltd.	Madhya Pradesh	959.10

Sr. No.	Name of Project	Client	Location	Amount outstanding as on September 30, 2007 (Rs. in million)*
5.	Balance work of strengthening and four laning of the existing two lane sections between Km. 307.500 to Km. 321.100 of Etawah Bypass on NH-2 in Uttar Pradesh	National Highways Authority of India	Uttar Pradesh	596.30
6.	Rehabilitation Road Works of MDR-139 from chainage 0.000 Km. (Chattal) to chainage 42.000 Km. (Gomat) under UPSRP (Package No. UPSRP/RMC/51)	Chief Engineer (WB), Nirman Bhawan, M.G. Road, Lucknow	Uttar Pradesh	255.50
7.	Loan No. 1959/IND Madhya Pradesh State Road Sector Development Program Phase-II Tender for Package-6: Project Road No. 9, SH 19, Porsa-Mehgaon Mau-Seonda 77.40 Km.	Madhya Pradesh Road Development Corporation Limited.	Madhya Pradesh	240.80
8.	Major Maintenance Works under Uttar Pradesh State Road Project for Package No. UPSRP/RMC/37 (Kajganj - Hathras)	Chief Engineer (WB), Nirman Bhawan, M.G. Road, Lucknow	Uttar Pradesh	146.50
9.	Construction of ROB & Approaches on Ajmer-Beawer Road in Lieu of LC No. 5A/2E	Rajasthan State road Development & Construction Corp. Limited, Jaipur	Rajasthan	85.60
10.	Construction of ROB (excluding Railway portion) in Km.70 of Kishangarh-Roopangarh Road SH-7 including approaches in lieu of LC No. 28 (NWR)	Rajasthan State road Deve. & Const. Corp. Limited, Jaipur	Rajasthan	78.10
11.	Major Maintenance Works under Uttar Pradesh State Road Project for Package No. UPSRP/RMC/42 (Etah - Shikohabad)	Chief Engineer (WB), Nirman Bhawan, M.G. Road, Lucknow	Uttar Pradesh	65.00
12.	Widening & strengthing of Road from 8Hotel Trident Tiraha to A.B. Road via Jaypee Hotel Km. 10 in Agra District	PWD, Agra	Uttar Pradesh	59.30
13.	Widening & strengthing of Road from Kheria Mor to Taj Mahal Eastern Gate via Mall Road Shastri Chauraha in Agra District	PWD, Agra	Uttar Pradesh	40.40
	Total			**8,947.90**
Airport Projects:				
1.	Resurfacing of Main Runway & Construction of Rapid Exist Track at AF Station Pune	MES Ahemdabad	Maharastra	417.20
2.	Expansion and strengthening of Apron and Construction of new Taxiway at Lucknow Airport.	Airports Authority of India, New Delhi	Uttar Pradesh	390.50
3.	Expansion/ Updradation of existing Dehradun airport for operation of AB-320/B-737-800 type of aircraft. SH: Construction of New Runway, Apron, Link Taxiway including Shoulders, Stopway, RESA, Drainage, Grading of Basic strip and Perimeter road etc.	Airports Authority of India, New Delhi	Uttrakhand	151.50
4.	Extension of pavement and allied works services (Group "B") at AFS Bidar	MES Bangalore	Karnataka	24.50
5.	Extension and strengthening of Runway and Allied works at Madurai Airport	Airports Authority of India, New Delhi	Tamil Nadu	13.10
	Total (B)			**996.80**
	Total (A+B)			**9,944.70**

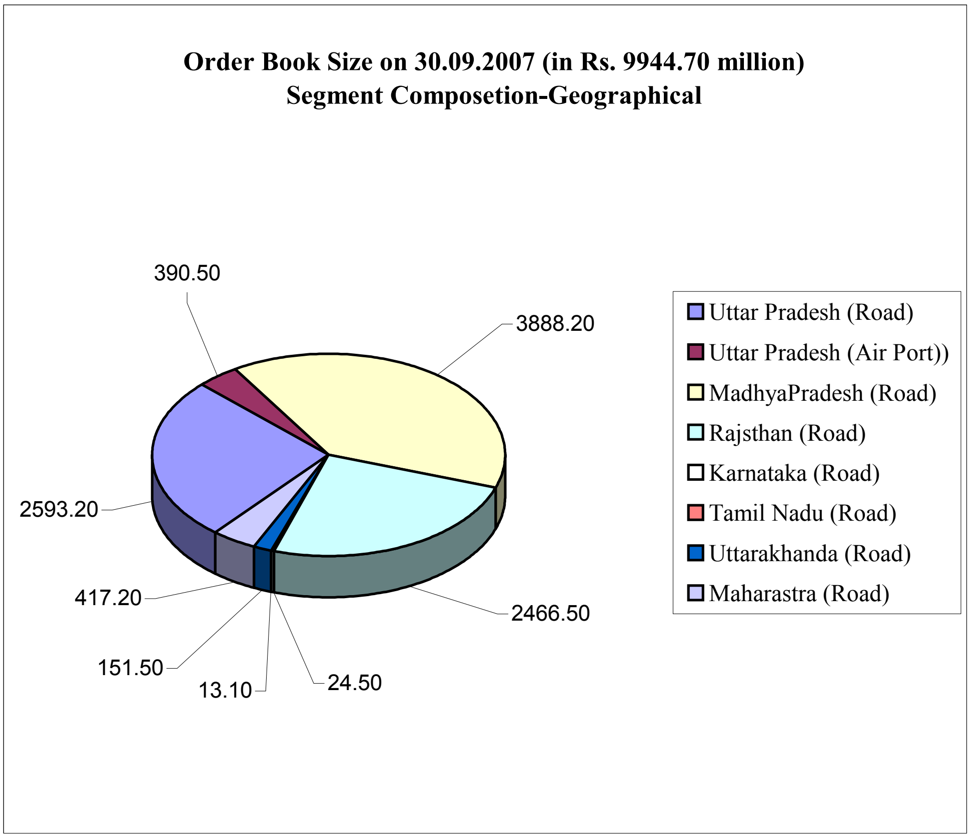
Segment Composition of Order Book

As reflected in the table below, approximately 90% of our Order Book as on September 30, 2007 related to construction of projects in the road sector.



Geographical spread of Order Book

The geographical spread of our Order Book as on September 30, 2007 is shown in the table below:



BOT Projects

We intend to increase our focus on BOT projects by leveraging our technical and financial credentials. We have recently been awarded the construction of Jaora-Nayagaon Road measuring approximately 126 km proposed by the Madhya Pradesh Road Development Corporation Limited on a BOT basis along with our JV partner. For details relating to the said JV agreement, see the section titled "History and Certain Corporate Matters" on page 65 of this Draft Red Herring Prospectus.

Additionally, we have placed bids for certain road construction projects on a BOT basis and are at varying stages of the bid process.

Project-Specific Joint Ventures and Strategic Alliances

Generally, we bid for projects independently with full responsibility for the entire project, including if required, the overall responsibility and sole discretion to select and supervise sub-contractors. From time to time, we may enter into JVs while bidding for certain larger projects. For details of our JVs, see the section titled 'History and Certain Corporate Matters' on page 65 of this Draft Red Herring Prospectus. Till date, we have generally bid for projects on a joint basis with the domestic or foreign companies having sound financials or technical capabilities, through SPVs to enable us to obtain larger projects that require resources beyond those we may have available, such as financial strength, equipment, manpower or local content resources.

In a project-specific JV, each member of the JV shares the risks and revenues of the project according to a predetermined agreement. The agreements specifically assign the work to be performed by each party and the responsibilities of each party with respect to the JV, including how the JV will be managed and the equipment, personnel or other assets that each party will contribute of make available to the JV. The profits and losses of the JV are shared among the members according to a predetermined ratio. The fixed assets that are acquired by the JV are generally transferred to the respective JV members upon completion of the JV project. The agreements also set forth the manner in which any disputes among the members will be resolved. The construction contracts that the JVs enter into, or the JVs themselves, typically impose joint and several liability on the members. Thus, should the other member(s) of our JVs default on its or their duties to perform we would remain liable for the completion of the project. The project-specific JV typically terminates at the completion of the defect liability period, at which point the project-specific JV liquidates and dissolves.

Currently, we have eight JVs/ MoUs to facilitate our Company to bid for projects. Out of the above five JVs have contracts which are in the process of being executed. For details of our existing JVs see the section titled "History and Certain Corporate Matters" on page 65 of this Draft Red Herring Prospectus.

Operations relating to Stone Crushing

Our Company owns a crusher plant at Haldwani, Uttaranchal to cater to requirements of raw materials such as grit used in road construction). The plant was set up in 2005 with a capacity of 1,200 tonnes per day. Production from the plant is sold by our Company in the open market and is also used for captive consumption in relation to our on going projects.

Project Lifecycle

Business Development

We enter into contracts primarily through a competitive bidding process. Government and other clients typically advertise potential projects in leading national newspapers or on their websites. Our tendering department regularly reviews newspapers and websites to identify projects that could be of interest to us. The head of the tendering department evaluates bid opportunities and discusses internally with the Review Committee on whether we should pursue a particular project based on various factors, including the client's reputation and financial strength, the geographic location of the project and the degree of difficulty in executing the project in such location, our current and projected workload, the likelihood of additional work, the project's cost and profitability estimates and our competitive advantage relative to other likely bidders. Once we have identified projects that meet our criteria, we submit an application to the client according to the procedures set forth in the advertisement.

Tendering

Our Company has a centralised tender department that 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 strategic alliances or project-specific JVs with other relevant experienced and qualified contractors, using the combined credentials of the cooperating companies to strengthen 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 organisational 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 significant selection criterion. Prequalification is key to our winning major projects and we continue to develop our pre-qualification status by executing a diverse range of projects and building our financial strength.

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. Our tendering department determines the bidding strategy depending upon the type of contract. For example, in the event of bid for a BOT project, we would appoint a competent consultant to design the project and provide us with drawings to enable further analysis of the various aspects, including traffic analysis of the project. This allows us to make a more informed bid. Similarly, a lump sum tender would entail quantity take-offs from the drawings supplied by the clients.

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, 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.

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 analysed to arrive at the cost of items included in the BOQ. The estimated cost of items is then marked up to arrive at the selling 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.

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 to those contractors who meet the stipulated criteria.

Engineering & Design

We provide detailed engineering services, if required by the client, for the projects that we undertake. Typically, for BOT projects, the client supplies conceptual information pertaining to the project and spells out the project requirements and specifications. We are required to prepare detailed architectural and/or structural designs based on the conceptual requirements of the client and also conform to various statutory and other requirements. For the execution of BOT projects where we do not have in-house design capabilities, we outsource design services from experienced consultants who specialise in the particular segment. Prior to bidding for the project, our tendering department and senior management review the preliminary design prepared by these consultants. Once the project is awarded to us, our consultants prepare detailed designs pursuant to the project requirements.

Procurement

Material comprises a significant portion of the total project cost. Consequently success in any project would depend on the adequate supply of requisite material during the tenure of the contract. We have a separate department, which is responsible for procurement and the logistics to ensure timely availability of material at each of our project sites.

Upon award of a contract, the purchase department is provided with the project details along with the budgeted rates for material, services and equipment. The material, services and equipment required for projects are estimated by the engineering personnel from the individual project sites and then passed on to the purchase department along with the schedule of requirements.

Our Company has over the years developed relationships with a number of vendors for key material, services and equipment. Our Company has also developed an extensive vendor database for various materials and services. For instance we have entered into long term contracts for the purchase of petroleum in some of the states we operate in. Over and above the quotations received at the time of bidding, the purchase department invites quotations from additional vendors, if required. Vendors are invited to negotiate before finalising the terms and prices. The materials ordered are provided to the sites from time to time as per their scheduled requirements. We maintain material procurement, tracking and control systems, which enable monitoring of our purchases.

Procurement of material, services and equipment from external suppliers typically comprises a significant part of a project's cost. The ability to cost-effectively procure material, services and equipment, and meeting quality specifications for our projects is essential for the successful execution of such projects. We continually evaluate our existing vendors and also attempt to develop additional sources of supply for most of the materials, services and equipment needed for our projects.

Construction

The issuance of a letter of acceptance or letter of intent by the client signifies that we have been awarded the contract. Upon receipt of the letter, we typically commence pre-construction activities promptly, such as mobilising manpower and equipment resources and setting up site offices, stores and other ancillary facilities.

Construction activity typically commences once the client approves working designs and issues drawings. The project team immediately identifies and works with the purchase department to procure the key construction materials and services required to commence construction. Based on the contract documents, a detailed schedule of construction activities is prepared. The sequence of construction activities largely follows the construction schedule that was prepared initially, subject to changes in scope requested by the client. Projects generally commence with excavation and earthmoving activities. Other major components of a typical construction project include concreting and reinforcement.

We have a project management system that helps us track the physical and financial progress of work vis-à-vis the project schedule. Each project site has a billing department that is responsible for preparing and dispatching periodic invoices to the clients. Joint measurements with the client's representative are taken on a periodic basis and interim invoices prepared on the basis of such measurements are sent to the client for certification and release of interim payments. The billing department is also responsible for certifying the bills prepared by our vendors and sub-contractors for particular projects and forwarding the same to our head office for further processing.

We consider a project to be "virtually complete" when it is ready to be handed over to the client. We then jointly inspect the project with the client to begin the process of handing over the project to the client. Once satisfied, the client prepares a "virtual completion certificate", which signifies the commencement of the defects liability period or the maintenance period (i.e., the period during which we are contractually bound to rectify any defects arising out of construction, which can last up to 60 months). On completion of the defects liability period, we request the client to release any performance bonds or retention monies that may be outstanding.

Types of contracts and the process for execution of contracts

Generally, contracts fall within the following categories:

- Lump Sum contracts – Lump sum contracts provide for a single price for the total amount of work, subject to variations pursuant to changes in the client's project requirements. In lump sum contracts, the client supplies all the information relating to the project, such as designs and drawings. Based on such information, we are required to estimate the quantities of various items, such as raw materials, and the amount of work that would be needed to complete the project, and then prepare our own BOQ to arrive at the price to be quoted. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted price.

- Design and Build contracts – Design and Build contracts provide for a single price for the total amount of work, subject to variations pursuant to changes in the client's project requirements. In Design and Build contracts, the client supplies conceptual information pertaining to the project and spells out the project requirements and specifications. We are required to (i) appoint consultants to design the proposed structure, (ii) estimate the quantities of various items that would be needed to complete the project based on the designs and drawings prepared by our consultants, and (iii) prepare our own BOQ to arrive at the price to be quoted. We are responsible for the execution of all aspects of the project based on the above at our quoted price.

- Item rate contracts are contracts where we need to quote the price of each item presented in a BOQ furnished by the client. In item rate contracts the client supplies all the information such as design, drawings and BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates for each respective item.

- Percentage rate contracts require us to quote a percentage above, below or at par with the estimated cost furnished by the client. In percentage rate contracts, the client supplies all the information such as design, drawings and BOQ with the estimated rates for each item of the BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates, which are arrived at by adding or subtracting the percentage quoted by us above or below the estimated cost furnished by the client.

Depending on the nature of the project and the project requirements, contracts may also contain a combination of aspects of any of the contract types discussed above.

- Build Operate and Transfer (BOT) contracts – BOT contracts are a relatively recent phenomenon developed to attract private sector investments in the development of projects in various sectors such as water supply, roads, bridges and power. Typically, BOT contracts involve the construction of an asset as required by the client, with partial or total financing arrangements provided by the bidders/contractors. BOT contracts require the successful bidder to construct, operate and maintain the asset over a pre-defined period (known as the “Concession Period”) at its own expense. In return, the bidder is granted a right to collect revenues from the end users of the asset during the Concession Period through a pre-defined mechanism. For example, for road projects executed on a BOT basis, the bidder is permitted to collect and keep tolls received from vehicles that use that road during the Concession Period. The bidder is required to transfer ownership of the asset back to the client at the end of the Concession Period. BOT contracts may provide for a “take or pay clause” (i.e., even if the client does not utilise the constructed facility during the period of operation and maintenance, a predetermined amount of revenue is paid to the contractor by the client).

Contracts, irrespective of their type (i.e., lump sum, item rate, percentage rate design-build), typically contain price variation or escalation clauses that provide for either reimbursement by the client in the event of a variation in the prices of key raw materials (e.g., steel and cement) or a formula that splits the contract into pre-defined components for materials, labour and fuel and links the escalation in amounts payable by the client to pre-defined price indices published periodically by the RBI or the Government. Some contracts do not include such price variation or escalation clauses. Thus, in those instances, we face the risk that the price of key raw materials and other inputs will increase during the project execution period and are unable to pass on the increases in such costs to the client.

Our Equipment

We believe that our strategic investment in equipment and fixed assets is an advantage that enables us to rapidly mobilise our equipment to project sites as needs arise. We have a large fleet of construction equipment assets, including imported crushers, excavators, cranes, batching plants, pavers, etc. Having such an asset base is in our view an important advantage in serving the technically challenging and diverse nature of the construction projects in which we are engaged. The following table provides a list of some of our key equipment as of September 30, 2007:

Group Name	Total
Leyland Taurus Tipper 10 Wheel	102
Leyland Comet Tipper 6 Wheel	81
Water Tanker 10 Wheel	23
Trailers 40 Feet Ashok Leyland	4
Transit Mixer with Taurus Chessis	11
Bitumen Sprayer with Comet Chessis	4
Dozer with Tractor Attachment	2
Escort Hydra Crane 10 Ton	3

Group Name		Total
Hydraulic Cranel (TIL)		1
Tower Crane with Tractor (Alfa)		1
Tata-407		2
Mahindra Bolero Camper		13
Tractor		14
Trolly Mounted Water Tank		11
Passenger Vehicles		29
Two Wheeler Vehicles		61
Compressor		18
Weigh Bridge & Scales		23
Diesel Generators		95
Hot Mix	Batch Mix 160 TPH SPECO	1
	Batch Mix 124 TPH SPECO	1
	Drum Mix Shiv Shakti 80 T	1
	Drum Mix DM 60 Apollo	6
	Tank	45
Wet Mix Plant		6
Concrete Mixture		27
Concrete Placer		1
Concrete Pump		1
Backhoe Loaders JCB-3D		20
Wheel Loader		18
Excavators		5
Motor Grader		13
Paver Finisher	Fixed Form Paver (MQ)	2
	WMM Paver (WM-6)	8
	Sensor 9-MTS Titan (BG-326)	1
	Sensor 9-MTS Titan (BG-325)	1
	Sensor 5.5-MTS Appollo	3
	Mechanical Appollo	2
Soil Compactors	ISD-110	16
	ISD-100	2
Plate Vibrators	FP-220 7.2 H.P.	1
	Walia Plate Compactor	3
	Popular Plate Compactor	1
	FP-220 4.8 H.P.	7
Sand Blasting M/C	Sand Blasting M/C	1
PTR Roller	Bomag PTR	1
	IR-RTR-220	2
Tandem Rollers	I.R. IDD-90	1
	I.R. VTR DD -24	1
	Walk Behind Roller VRD 800 JP Model	1
Static Roller	Roller Three Wheel	12
Kerb Paver	Arrow-770	1
	Roadtec Make	1
Broomer	Apollo Mechanical Brommer	2
	Roadtec Make Brommer	1
Tar Boiler	Tar Boiler	9

Competition

We operate in a competitive atmosphere. Our competition depends on various factors, such as the type of project, contract value, potential margins, the complexity, location of the project and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel's are key factors in client decisions among competitors, price often is the deciding factor in most tender awards. Some of our key competitors are Nagarjuna Construction Company Limited, Sadbhav Engineering Limited, Gayatri Projects Limited, Hindustan Construction Company etc. Some of our competitors may have greater resources than those available to us.

Our Properties

Our Company's registered office and corporate headquarters is located at D-51, Kamla Nagar, Agra. Our Company occupies this premise pursuant to lease deed dated May 1, 2007 with Mr. Chakresh Kumar Jain, our Promoter and Director. The lease deed is valid for a period of 11 months which may be renewed from time to time. Further, our Company is required to pay a monthly rental of Rs. 6,000 with increment as may be mutually agreed upon between the lessor and lessee.

Our Company has purchased property admeasuring 5,620.33 sq. mtrs at Village Haripur Footkua, Nainital, Pargana Bhanwar Chakhata wherein the stone crushing operations are being carried out. Additionally, our Company has also taken on a leasehold basis the property located at New Delhi to serve as the administrative office from the individual Promoters.

Human Resources and Employee Training

As on September 30, 2007, we had about 1,500 employees, of which 150 employees comprised of engineers and other qualified professionals. These employees are employed in various capacities and cadres in the divisions of our Company, which *inter alia* range from such professionals like that of engineers, accountants to machine operators and workers.

For the purposes of recruiting employees we advertise in national dailies, use recruitment web-sites and conduct campus interviews at regular periods. Recruitment of personnel in different categories is carried out by the human resources department of our Company. We also provide training to our employees at various project sites. Our emoluments for our staff are performance based. Employees are evaluated on a yearly basis for their performance on specified parameters.

None of our employees are in a union. We have not lost a day to industrial action in our history of operations. As such we consider our relations with our employees to be good.

Insurance

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, land mine blasts and other work accidents, fire, earthquake, flood and other *force majeur* events, acts of terrorism and explosions including hazards that may cause injury and loss of life, 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.

Our significant insurance policies consist of coverage for risks relating to physical loss or damage. Loss or damage to our materials and property, including contract works, whether permanent or temporary and materials or equipment supplied by us or supplied by us are generally covered by "contractors all risks insurance". We have also obtained a fire insurance policy for our registered and corporate office. We also maintain workmen's compensation policies. Under certain of our contracts and sub-contracts, we are required o 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.

Health, Safety and Environment

We are committed to complying with applicable health, safety and environment regulations and other requirements in our operations and have a documented policy in place. To help ensure effective implementation of our practices, at the beginning of every project we seek to identify potential material hazards, evaluate all material risks and institute and monitor appropriate controls. 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, the use, management and disposal of solid or hazardous materials or wastes and the cleanup of contamination. However, all the necessary approvals and environmental clearances for the construction of the project are to be procured by the owner and undertakings, as may be required, in this connection are to be given by the owner/developer to the environmental or pollution control agencies.

REGULATIONS AND POLICIES

We carry on business as a project developer independently and enter into JVs for infrastructure projects in the road and airport sector. We undertake construction and maintenance operations and enter into engineering procurement and construction contracts.

The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out 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 that generally govern this industry in India.

The primary central legislations governing the roads sector are the National Highways Act, 1956 and the National Highways Authority of India Act, 1988.

National Highways Act, 1956 (the "NHA")

Under the NHA, the Central Government is vested with the power to declare a highway as a National Highway and also to acquire land for this purpose. The Central Government may by notification, declare its intention to acquire any land when it is satisfied that such land is required for the building, maintenance, management or operation of a national highway, for a public purpose.

The Central Government is responsible for the development and maintenance of national highways. However, it may direct that such functions be exercised by the State Governments. The National Highways (Collection of Fees by any person for the use of section of National Highways/ Permanent Bridge/ Temporary Bridge on National Highways) Rules, 1997 provide that the Central Government may enter into agreements with Persons for development and maintenance of the whole or part of a national highway/permanent bridge/temporary bridge on national highway. Such person may invest his own funds for development or maintenance and is allowed to collect and retain the fees at agreed rates from different categories of vehicles for an agreed period for the use of the facilities created herein.

The rates of fees and the period of collection are decided by the Central Government and the factors taken into account to decide the same include expenditure involved in building; maintenance, management and operation of the whole or part of such section; interest on the capital invested; reasonable return, the volume of traffic; and the period of such agreement.

Once the period of collection of fees by the person is completed, all rights pertaining to the section, permanent bridge or the temporary bridge on the National Highway would be deemed to have been taken over by the Central Government.

National Highways Authority of India Act, 1988 (the "NHAI Act")

The NHAI Act provides for the constitution of an authority for the development, maintenance and management of National Highways. Pursuant to the same the NHAI, an autonomous body was set up in 1995. Under the NHAI Act, the Central Government carries out development and maintenance of the National Highway system through the NHAI. Pursuant to the same, the NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act.

In an effort to provide for additional financing of its projects, the NHAI has taken measures to attract private sector participation in development of projects. The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, such contracts can exceed the value so specified with the prior approval of the Central Government.

The Government aims to attract both foreign and domestic private investments in construction and maintenance of National Highways. Projects may be offered on BOT basis to private agencies. The concession period can be unto a maximum of 30 years, after which the road is transferred back to NHAI by the concessionaries.

The bidding for the projects takes place in two stages as per the process provided below:

- In the pre-qualification stage, the NHAI selects certain bidders on the basis of technical and financial expertise, prior experience in implementing similar projects and previous track record; and

- In the second stage, the NHAI invites commercial bids from the pre-qualified bidders on the basis of which the right to develop the project is awarded.

Where projects are funded by multilateral funding agencies such as the World Bank or the Asian Development Bank, the selection takes place in consultation and concurrence with the funding organisation. For other types of projects, selection is as per standards work procedures. Wide publicity is given to the NHAI tenders so as to attract attention of leading contractors and consultants. Notice inviting tenders is posted on the website of the NHAI and published in leading newspapers.

Private sector participation in the road sector is sought to be promoted through the following initiatives of the government as well:

- The Government ensures that all preparatory work including land acquisition and utility removal is completed before awarding of the project;

- Right of way is made available to the concessionaires free from all encumbrances;

- The NHAI / Government may provide capital grant up to 40% of project cost to enhance viability on a case to case basis;

- 100% tax exemption for five years and 30% relief for next five years, which may be availed of in 20 years; and

- Duty free import of specified modern high capacity equipment for highway construction.

Environmental and Labour Regulations

Depending upon the nature of the projects undertaken by our Company, applicable environmental and labour laws and regulations include the following:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
- Industrial Disputes Act, 1947;
- Inter State Migrant Workers Act, 1979;
- Factories Act, 1948;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees’ State Insurance Act, 1948;
- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Payment of Gratuity Act, 1972;
- Shops and Commercial Establishments Acts, where applicable;
- Environment Protection Act, 1986;
- Water (Prevention and Control of Pollution) Act, 1974;
- Air (Prevention and Control of Pollution) Act, 1981;
- Minimum Wages Act,1948;
- Hazardous Waste (Management and Handling) Rules, 1989; and
- Hazardous Chemicals Rules, 1989.

Foreign Investment Regime

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act (“FEMA”), and the rules, regulations and notifications thereunder, as issued by the RBI from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the Foreign Investment Promotion Board ("FIPB") is required for activities to be carried out by foreigners in India.

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. At present, foreign investment in companies engaged in construction activities falls under the RBI automatic approval route for FDI/NRI investment upto 100%.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as "PNC Construction Company Private Limited" on August 9, 1999 by our individual promoters, Mr. Pradeep Kumar Jain, Mr. Naveen Kumar Jain, Mr. Chakresh Kumar Jain and Mr. Yogesh Kumar Jain with the objective of carrying on business as contractors, sub contractors, real estate developers, builders etc. and to lay out, develop, construct, build and to do any activities relating to construction of any building or building scheme, roads, highways, bridges etc. or any other structural or architectural work of any kind. It was converted into a public company on February 12, 2001 and our name was changed to "PNC Construction Company Limited". Subsequently on August 2, 2007 the name was changed to "PNC Infratech Limited".

Prior to incorporating our Company, our promoter director, Mr. Pradeep Kumar Jain was engaged in the business of providing integrated construction services for infrastructure sector through PNC Construction Company, a sole proprietorship at Agra, which has been in existence since 1989. In 2000 and 2001 our Company purchased the business of the sole proprietorship from Mr. Pradeep Kumar Jain in consideration for Equity Shares. For details see the section titled "Capital Structure" on page 15 of this Draft Red Herring Prospectus.

Change in Registered Office

The registered office of our Company was initially located at C-2/37, Vikas Market, Kamla Nagar, Agra-282 004, India. Pursuant to board resolution dated September 1, 2001 the registred office was shifted to D-51, Kamla Nagar, Agra 282 004, India.

Key Events and Milestones

Year	Event
1999	Incorporation of our Company
2001	Received 'SS' class certification from MES
2003	Bonus received from NHAI for completion of project before the scheduled time of the Agra-Gwalior Road (NH-3) project
2004	Received DNV certification ISO 9001: 2000
2006	Total revenue crossed the Rs. 1,500 millions
2007	Total revenue crossed Rs. 2,550 millions
	Awarded BOT road project by MPRDC, Madhya Pradesh.

Our Main Objects

The main objects of our Company as contained in our Memorandum of Association are as follows:

- To carry on the business as contractors, sub contractors, real estate developers, promoters, builders, colonizers and to lay out, develop, construct, build , erect, demolish , re-erect, alter, repair, re-model or do any activities relating to construction of any building or building scheme, roads, highways, docks, ships, sewers, bridges, canals, wells, springs, serais, dams power plants, wharves, ports, reservoirs, embankments, tramways, railways, irrigations, reclamations, improvements, sanitary, water, gas, electric light, telephonic, telegraphic and power supply works or any other structural or architectural work of any kind whatsoever.

- To purchase, acquire, take on lease, or in exchange or in any other lawful manner any area, land, buildings, structures and to turn the same into account, develop the same dispose of or maintain the same and to build townships, commercial complex, or other buildings or conveniences thereon and to equip the same or any part thereof with all or any amenities or conveniences and to deal with the same in any manner whatsoever.

- To carry on the business as planners, designers, architects, engineers, promoters, consultants, advisors, interior decorators, real estate agents in all matters connected with real estate and building construction or any activity for constructing, manufacturing, trading, distribution either wholesale or retail of any product in connection with construction item like grit ballast, other mining items, cement, steel, sand, bitumen including their crushing, grinding, mixing or any other activity in connection therewith.

- To promote, manage and administer co-operatives, groups, housing societies, firms, companies, entities for buying, holding, maintaining and developing lands, buildings, hereditaments, facilities, amenities and to manage, sell, allot, lease out houses, apartments, flats, shops, offices to the shareholders, members, participants of such co-operatives, groups, societies, firms, companies, entities or to any other person on their account and behalf.

- To carry on the business of general electric power company and to install , erect, demolish, re-erect, alter, repair, remodel, of power plant, power sub-station, power transmission lines, lines accumulations, cables, poles, bijli-ghar, chimnies and the work of power / electric generation, based on thermal, gas, wind, water, solar energy, petroleum products, nuclear energy or by combination of any two or more of the said mode or from any other technique / source and the power supply, distribution sale on whole sale / retail basis or any work of structural, architectural, civil or any type for and on behalf of our Company or through contract, sub-contract, bidding, JV, partnership and or in any manner whatsoever of any work in connection there with.

Amendments to the Memorandum of Association

Since incorporation, the following changes have been made to the Memorandum:

Date of Shareholders' Approval	Amendment
February 12, 2001	Change of name from "PNC Construction Company Private Limited" to "PNC Construction Company Limited".
February 28, 2001	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from Rs. 10 million divided into 1,000,000 Equity Shares to Rs. 40 million divided into 4,000,000 Equity Shares.
January 28, 2002	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from Rs. 40 million divided into 4,000,000 Equity Shares to Rs. 70 million divided into 7,000,000 Equity Shares.
June 21, 2003	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from Rs. 70 million divided into 7,000,000 Equity Shares to Rs. 110 million divided into 11,000,000 Equity Shares.
November 25, 2006	Clause 3 of the Memorandum of Association was altered by replacing Clause IIIA(3) as follows: *"To carry on the business as planners, designers, architects, engineers, promoters, consultants, advisors, interior decorators, real estate agents in all matters connected with real estate and building construction or any activity for constructing, manufacturing, trading, distribution either wholesale or retail of any product in connection with construction item like grit ballast, other mining items, cement, steel, sand, bitumen including their crushing, grinding, mixing or any other activity in connection therewith."*
February 10, 2007	Memorandum of Association was altered by addition of a new clause (Sr. No. 5) after Clause IIIA(4) as follows: *"To carry on the business of general electric power company and to install , erect, demolish, re-erect , alter, repair , remodel, of power plant, power sub-station, power transmission lines, lines accumulations , cables, poles, bijli-ghar, chimnies and the work of power / electric generation, based on thermal, gas, wind, water, solar energy , petroleum products, nuclear energy or by combination of any two or more of the said mode or from any other technique / source and the power supply, distribution sale on whole sale / retail basis or any work of structural , architectural , civil or any type for and on behalf of our Company or through contract , sub-contract, bidding, joint venture, partnership and or in any manner whatsoever of any work in connection there with."*
August 2, 2007	Change of name from PNC Construction Company Limited to PNC Infratech Limited.
October, 1, 2007	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from Rs. 110 million divided into 11,000,000 Equity Shares to Rs. 350 million divided into 35,000,000 Equity Shares.

Subsidiaries

Our Company does not have any subsdiaries and has not had any subsidiaries in the past.

JV Agreements

(i) JV agreement with Bhagheeratha Engineering Limited ("BEL") dated December 20, 2003

Our Company and BEL have entered into a JV agreement dated December 20, 2003 to constitute a JV, "PNC-BEL JV", for the purposes of participating in the prequalification and subsequent tender for the work of four laning of NH-24 from Hapur to Moradabad in Up-Package II-Widening and Strenghtening of NH-24 to four lane standards from Garhmukteshwar to Moradabad in Uttar Pradesh (including the construction of the road over bridge in Km 181 of NH 24 and two bridges). The agreement provides that the both the parties have an equal share in the profit and loss and both parties be jointly and severally liable in the execution of the project. In this respect the parties have undertaken to work in full integration in arranging the required resources.

Pursuant to the agreement, our Company has been nominated as the lead partner in charge and has been authorised to incur liabilities and receive instructions for and behalf of the JV. Additionally, the agreement provides that, in the event of non-performance by any party, the other party shall take the burden of performance. In such an instance, the financial right of the defaulting party is forfeited and the party executing the work is entitled to receive the full payment directly in terms of the award. Further, the agreement provides that the parties constitute an apex body consisting of two members from each party. The agreement is liable to be terminated in the event the tender is not awarded or if awarded is completed in all respects.

(ii) MoU with TRG Industries Private Limited ("TRG") dated March 29, 2007

Our Company entered into a MoU with TRG Industries Private Limited ("TRG") to constitute a JV "PNC-TRG JV" for the purpose of participating in the bidding process for the four laning of Km. 51 to km 61 on Dholpur - Morena Section on NH-3 on North South Corridor in the states of Rajasthan and Madhya Pradesh, and in the event of an award execute the same. Pursuant to the terms of the MoU, our Company and TRG have undertaken to share the profit and loss, arrange working capital and bonds/guarantees in the ratio of 70% and 30% respectively. Further, our Company has been nominated as the lead partner in charge and has been authorised to incur liabilities and receive instructions on behalf of the JV. Additionally, the parties have undertaken to work in full integration in arranging the required resources and be jointly and severally liable in the execution of the contract.

The MoU provides that in the event of non-performance by any party, the other party shall take the burden of performance. In such an instance, the financial right of the defaulting party shall be forfeited and the party executing the work shall be entitled to receive the full payment directly in terms of the award. Further, the parties have undertaken to constitute an apex body consisting of three members from each party. The agreement is liable to be terminated in the event the tender is not awarded or if awarded is completed in all respects.

(iii) MoU with RDS Projects Limited ("RDS") dated August 31, 2007

Our Company and RDS have entered into an MoU dated August 31, 2007 to establish a JV to participate for the pre-qualification and tender for the development of new township at Thatipur, Gandhi Road, Gwalior and the development, operation and management of the project under a suitable development agreement for a specified period, in case the project is awarded. Pursuant to the MoU, our Company (the lead member of the consortium) and RDS have committed to hold a minimum equity stake equal to 90% and 10% respectively in the JV company. Further our Company and RDS have undertaken to and carry out all responsibilities, being jointly and severally liable, for the execution of the project as per the terms of the development agreement.

(iv) Consortium Agreement with RDS Projects Limited ("RDS") dated May 21, 2004

Our Company (as lead partner) and RDS have entered into a consortium agreement dated May 21 2004 to establish a consortium for the purpose of pre-qualification for the extension and strengthening of runway and allied works at Madurai airport. The parties have also agreed to be jointly and severally responsible for the discharge of their obligations as agreed to and laid down in the agreement. The external costs incurred during the process of execution of the project shall be borne by the parties as mutually agreed by them. It has further been agreed that the costs of providing bonds and guarantees required for the project shall be borne in proportion to each party's participating interest in the project. Our Company, being the lead member, is however, responsible to provide bonds and guarantees for the full scope of work. The parties further have agreed to distribute and share the total expenditure in the ratio of 100% each for their respective scope of work as specifically mentioned in the agreement. Also, all net profits, assets and liabilities shall be shared between the parties as mutually agreed. Each party also agrees that time is the essence of the contract. Each party has further agreed to be solely and individually responsible to complete its part of the contract in strict compliance within the time schedule agreed to subject to certain conditions in relation to extension of time, delay and the like. Additionally, the parties have agreed to indemnify and hold harmless the other party any claims made by third parties with respect to any infringements on patents, trademarks, copyright employed in the project by either of the parties.

The parties have undertaken not to withdraw from this consortium without the express opinion of the AAI in the interest of the work. It is further agreed that if either of the parties breaches the agreement, the breaching party shall be responsible for the costs and liabilities incurred by the non-breaching party resulting from any action taken by the AAI in this regard. This agreement may be terminated by the parties on the grounds of successful completion of the guarantee period or either party being declared insolvent by a competent court or an irreparable breach of either this agreement or the contract with the AAI.

(v) MoU with SREI Infrastructure Finance Limited ("SREI"), Subhash Projects & Marketing Limited ("SPML") and Viva Infrastructure Private Limited ("VIPL") , dated May 26, 2007

Our Company has entered into an MoU with SREI, SPML and VIPL dated May 26, 2007 to participate the RFP stage of the bidding process for the design, construction, finance operation and maintenance on a BOT basis for the four lining of Jaora-Nayagaon section (from km 126/200 to 252/200) of state highway 31 in the state of Madhya Pradesh, and execute the same if awarded.

The parties have agreed to procure the bid security to be submitted and VIPL has agreed to meet all technical and financial requirements. SREI, SPML, VIPL and our Company have agreed to hold 28%, 11.5%, 49% and 11.5% respectively in the special purpose vehicle.

Under the terms of the MoU, VIPL or its associates is the preferred EPC and O& M contractor and will have the first right of refusal to execute the same. Further SREI and its associates will have the first right of refusal for undertaken the mandate for financial closure of the project.

The MoU will be valid till the execution of the project and will be terminated in case the project is abandoned by the MPRDC or is awarded to some other party.

(vi) Consortium agreement with SMS Infrastructure Limited ("SMSIL") dated November 15, 2007

Our Company (lead member) has entered into a consortium agreement with SMSIL for the construction of new airport at Pakyong, Sikkim and allied works. Pursuant to the same, the parties have agreed to execute the all construction works jointly. The parties have agreed to share and distribute the total expenditure incurred in ratio of 51% and 49% between SMSIL and our Company, respectively and similarly share the net profits, assets and liabilities arising. As per the terms of the agreement, SMSIL and our Company are jointly and severally responsible towards the AAI under the conditions of contract. Additionally, the parties have agreed to indemnify and hold harmless the other party with respect to any claims/loss/ damages or injury suffered by the other party due to any default/ breach in performance of its contractual obligations under the agreement or contract with the AAI.

The parties have undertaken not to withdraw from the consortium unless there is an express opinion of the AAI in the interest of the work and if either of the parties breaches the agreement, such party will be responsible for all costs/liabilities that may by the other party as a result of any action taken by the AAI. The agreement may be terminated by the parties *inter alia* on successful completion of the defects liability period in accordance with the contract with the AAI or upon either parties committing a breach of the agreement.

(vii) Consortium Agreement with China Railway SHISIJU Group Corporation ("CRSSG"), dated December 10, 2007

Our Company has entered into a consortium agreement with CRSSG (lead member) for the work of Development of Technical building and pavement works at Chennai Airport, Chennai and allied works. Pursuant to the same, the parties have agreed to execute the all construction works jointly. The parties have agreed to distribute and share the total expenditure incurred equally and similarly share the net profits, assets and liabilities arising. As per the terms of the agreement, CRSSG and our Company are jointly and severally responsible towards the AAI under the conditions of contract. Additionally, the parties have agreed to indemnify and hold harmless the other party with respect to any claims/loss/ damages or injury suffered by the other party due to any default/ breach in performance of its contractual obligations under the agreement or contract with AAI.

The parties have undertaken not to withdraw from the consortium unless there is an express opinion of the AAI in the interest of the work and if either of the parties breaches the agreement, such party will be responsible for all costs/liabilities that may by the other party as a result of any action taken by the AAI. The agreement may be terminated by the parties *inter alia* on successful completion of the defects liability period in accordance with the contract with the AAI or upon either parties committing a breach of the agreement.

(viii) MoU with Srei Infrastructure Finance Limited ("SREI") and Subhash Projects and Marketing Limited ("SPML") dated September 1, 2006

Our Company has entered into a MoU with SREI for the formation of a consortium for the development of Jaora-Nayagaon section from km. 126/200 to km. 252/200 on SH-31 to 4-lane ("the Project") in the state of Madhya Pradesh. Pursuant to the same, the parties have agreed to form a SPV for this purpose. It has been agreed that SREI, which is the lead member of the consortium, shall hold a minimum equity stake of 51% of the aggregate shareholding and our Company shall hold a minimum equity stake of 10% of the consortium in the SPV at all times during the concession period. Further, the aggregate equity holding of the parties in the issued and paid up capital of the SPV shall not be less than 78% during the construction period and not less than 26% during the balance remaining operation period. It is also agreed that the minimum equity holding of the parties namely SREI, our Company and SPML in the SPV shall be 51%, 25% and 24% respectively. It has been further agreed that any dilution in the equity holdings shall be in accordance with the provisions of the concession agreement. The parties have reached an understanding that SREI would act as the lead member of this consortium, as mentioned above and our Company and SPML would act as members of the same and all three parties have agreed to undertake the financial and overall management of this project till the end of the concession period.

As on the date of this Draft Red Herring Prospectus, none of the JV's have been incorporated.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association we are required to have not less than three directors and not more than 12 directors. We currently have 10 Directors on our Board. The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name, Father's name, Address, Designation, Occupation and Term	Director's Identification Number	Age (years)	Other Directorships
Mr. Pradeep Kumar Jain S/o. Mr. Nemi Chand Jain D-23, Kamla Nagar, Agra - 282 005, Uttar Pradesh, India *Designation:* Chairman cum Managing Director (Non-Independent) *Occupation:* Industrialist *Term:* From November 27, 2006 until November 26, 2011	00086653	50	a) PNC Cold Storage Private Limited; b) PNC Project Private Limited; and c) PNC Infrastructure Private Limited.
Mr. Naveen Kumar Jain S/o Mr. Nemi Chand Jain D-53, Kamala Nagar, Agra – 282 005, Uttar Pradesh, India *Designation:* Director (Non-Independent) *Occupation:* Industrialist *Term:* Liable to retire by rotation	00086841	46	a) PNC Cold Storage Private Limited; and b) Shri Mahaveer Infrastructure Private Limited
Mr. Chakresh Kumar Jain S/o. Mr. Nemi Chand Jain D-53, Kamla Nagar, Agra - 282 005, Uttar Pradesh, India *Designation:* Whole-Time Director (Non-Independent) *Occupation:* Industrialist *Term:* From November 27, 2006 until November 26, 2011	00086768	44	a) PNC Cold Storage Private Limited; b) PNC Project Private Limited; c) PNC Infrastructure Private Limited; d) PNC Mining Private Limited; e) NCJ Infrastructure Private Limited; and f) Ideal Buildtech Private Limited.
Mr. Yogesh Kumar Jain S/o. Mr. Nemi Chand Jain D-23, Kamla Nagar, Agra - 282 005, Uttar Pradesh, India *Designation:* Whole-Time Director (Non-Independent) *Occupation:* Industrialist *Term:* From November 27, 2006 until November 26, 2011	00086811	36	a) PNC Cold Storage Private Limited; b) PNC Project Private Limited; c) PNC Infrastructure Private Limited; and d) NCJ Infrastructure Private Limited.

Name, Father's name, Address, Designation, Occupation and Term	Director's Identification Number	Age (years)	Other Directorships
Mr. Anil Kumar Rao S/o. Mr. H.K.R. Rao 26/190/203, Navjyoti Apartments, Bye Pass Road, Agra, Uttar Pradesh, India *Designation:* Whole-Time Director (Non-Independent) *Occupation:* Professional *Term:* From November 27, 2006 until November 26, 2011	01224525	45	NIL
Mr. Chottu Ram Sharma S/o. Mr. Hari Ram Sharma J-3/18, DLF Phase- II, Gurgaon – 122 002 Haryana, India *Designation:* Additional Director (Independent) *Occupation:* Professional *Term:* From October 25, 2007 and liable to retire by rotation	00522678	65	a) Sterling Tools Limited; and b) Magppie International Limited
Mr. Vilas Mani Tripathi S/o. Mr. Surat Narayan Mani Tripathi "Sukriti", 3/ 481, Vishal Khand, Gomti Nagar, Lucknow - 226 010, Uttar Pradesh, India *Designation:* Additional Director (Independent) *Occupation:* Retired IPS Officer *Term:* From November 22, 2007 and liable to retire by rotation	01884709	69	NIL
Mr. Dharam Vir Gupta S/o. Mr. Faqir Chand Gupta B-27B, Gangotri Enclave, New Delhi - 110 019, India *Designation:* Additional Director (Independent) *Occupation:* Lawyer *Term:* From December 3, 2007 and liable to retire by rotation	01639124	66	Maharashtra Airport Development Corporation Limited
Mr. Pradeep Kumar Mittal S/o. Mr. Yogendra Kumar Mittal 171, Chitra Vihar, New Delhi - 110 092, India *Designation:* Additional Director (Independent) *Occupation:* Lawyer *Term:* From December 19, 2007 and liable to retire by rotation	00165315	54	a) Raunaq International Limited; b) HB Stockholings Limited; and c) Bajaj Hindustan Sugar & Industries Limited
Mr. Lajpat Rai Jain S/o. Mr. Harbans Lal Jain 136, Dayanand Vihar, Vikas Marg Extension New Delhi 110 092, India	01967471	79	NIL

Name, Father's name, Address, Designation, Occupation and Term	Director's Identification Number	Age (years)	Other Directorships
Designation: Additional Director (Independent) *Occupation:* Retired IRS *Term:* From December 28, 2007 and liable to retire by rotation			

Brief Biographies of our Directors

Mr. Pradeep Kumar Jain, is the Chairman cum Managing Director and one of the Promoters of our Company. He holds a Bachelors' degree in Arts degree from the University of Agra. He has over 30 years of experience in the construction and infrastructure sector and allied areas. Mr. Jain is a promoter and one of the first directors of our Company. His current responsibilities include overall administration and supervision of projects and liaison with Government and non-Government agencies.

Mr. Naveen Kumar Jain, is a non-executive Director and one of the Promoters of our Company. He graduated with a Bachelor of Arts degree from Agra University. He has over 22 years of experience in industries such as construction, cold storage transportation etc. He has experience of construction, machineries and transport organisation. His current responsibilities include giving valuable informations and guidance in the best interest of our Company.

Mr. Chakresh Kumar Jain, a whole-time Director, holds a Bachelors' degree in Science from Agra University in 1985 and Bachelor of Law degree from Agra University in 1988. He has over 20 years of experience in development of infrastructure sector, such as, construction of highways, airports, rail over bridges among others. Mr. Jain is a promoter and one of the first directors of our Company. His current responsibilities include overall financial and project management and administration.

Mr. Yogesh Kumar Jain, a whole-time Director, holds a Bachelors' degree in Engineering from Bangalore University in 1993. He has over 16 years of experience in planning, execution, supervision of work from the initiation of pre-qualification and tendering. Mr. Jain is a promoter and one of the first directors of our Company. He has experience in the execution of highways, runways and bridge construction projects and has thus become an asset to our Company. His current responsibilities include technical supervision of projects upto completion stage of such projects.

Mr. Anil Kumar Rao holds a Bachelors' degree in Engineering (Civil) from SGSITS, Indore in 1984. He has over 25 years of experience in the infrastructure industry and allied areas. His previous work experience includes, among others, as Construction Manager (Civil) in Somnath Builders Limited, as Project in charge in Galfor Engineering and Contracting LLC, Oman. He is also a member of Indian Roads Congress and Institution of Engineers India. He has experience in the execution of runways and road projects. His current responsibilities include overall monitoring and execution of projects.

Mr. Chottu Ram Sharma holds Bachelor's degree in Arts from Delhi University. He has been serving as Senior Advisor to Centurion Bank of Punjab from October 2005 till October 30, 2007. He has served as the managing director and chief executive officer of Bank of Punjab from June 2002 to May 2004 and from October 2004 to September 2005 respectively and as Executive Director, Andhra Bank from September 2000 to May 2002. He was selected by the Appointment Committee of the Cabinet for appointment in December 1999 batch of General Managers from different banks. He has also served Oriental Bank of Commerce for 23 years after serving Citibank N.A. for 13 years from 1964 to 1977.

Mr. Shri Vilas Mani Tripathi holds Masters' degree in Physics from Lucknow University in 1957. He was selected for Indian Police Service by the Union Public Service Commission, from the Uttar Pradesh Cadre in the year 1961. Prior to becoming an IPS officer, he has served as Assistant Professor of Physics in the University of Gorakhpur from 1958 to 1961. He served as Assistant Superintendent of Police in Mathura, Unnao and Rampur, Senior Superintendent of Police in Moradabad from 1973 to 1976 and in Kanpur from 1978 to 1979. He has also served as Deputy Assistant to Inspector General of Police, Uttar Pradesh, from 1964 to 1965, as Assistant Inspector General from 1976 to 1978 and as Inspector General (Personnel) from 1988 to 1990. He has also served the Criminal Investigation Department as Inspector General in the Economic Offences Wing in 1990, as Additional Director General of the Economic Offences Wing and Anti Corruption Organisation in 1991 and as

Additional Director General and later Director General of Intelligence and Security. He has also served as Joint Secretary to Government of India, Ministry of Food and Civil Supplies from 1982 to 1988 and Member Secretary of the First National Consumer Protection Council. He has also served as Director General of Police, Uttar Pradesh from September to December 1992 and as Director General of CRPF, Government of India from 1993 to 1996. He has also served as Part time Director on the Board of State Trading Corporation from 1984 to 1988, Modern Food Industries from 1984 to 1987 and Hindustan Vegetables Oils Corporation from 1984 to 1988 and also appointed by BIFR as special director on boards of few companies from 1997 to 2002. He has also served as Member of Executive Council of Gorakhpur University, Special Representative of the National Human Rights Commission for Uttar Pradesh from 1998 to 2002 and Member, Uttar Pradesh Human Rights Commission from 2002 to 2007.

Mr. Dharam Vir Gupta holds a B. Sc. Engineering Honors degree from Punjab University in 1962, Masters in Business Administration from Leads University, UK in 1977, Bachelors' in Law from Meerut University in 1999 and FICA (Fellow Member of Indian Council of Arbiration, New Delhi) in 2002. He has served as Chairman of Airports Authority of India and presently practicing as an advocate in the Supreme Court of India. He has vast experience in airport runway work.

Mr. Pradeep Kumar Mittal an additional director of our Company holds B.Com. degree from Delhi University in 1975, LL.B. from Delhi University in 1978 and Fellow member of Institute of Company Secretaries of India since 1993. He is a Central Council Member of the Institute of Company Secretaries of India for the term 2007-2010. Presently he is practicing as an advocate before Hon'ble Supreme Court, Delhi High Court, Custom, Excise and Service Tax Appellate Tribunal, Company Law Board etc. His last employment was as Sr. Manager (Legal) Apollo Tyres Limited.

Mr. Lajpat Rai Jain holds Masters' degree in Commerce from Allahabad University in 1950 and Bachelor of Law from Allahabad University in 1951. He joined the Indian Revenue Service (Income Tax) in January 1953. He has served in various positions in the Income Tax Department at several stations in the country and retired on March 31, 1986 on superannuation from the post of Directors General of Income Tax (Investigation). Apart from field service in the Income Tax Department, he also worked in other fields of Government Services viz, Officer on Special Duty with Direct Taxes Enquiry Committee, under Secretary, Department of Food, Government of India, Secretary (Administration) in Central Board of Excise and Customs, and Secretary, Central Board of Direct Taxes in the Ministry of Finance.

Borrowing powers of the Board

As per the provisions of our Articles and subject to the provisions of the Companies Act, our Board has been authorised to borrow money from time to time at its discretion either from our Company's bank, financial institution or any other corporate bodies on such terms and conditions as may be considered suitable by the Board of Directors up to a limit not exceeding in aggregate of Rs. 15,000 million, notwithstanding that the money to be borrowed together with the monies already borrowed by our Company apart from temporary loans obtained from our Company's bankers in the ordinary course of business will exceed the aggregate of the paid up capital of our Company and its free reserves, that is to say reserves not set apart for any specific purpose.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We have complied with the requirements of Corporate Governance contained in the Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Shareholder/Investor Grievance Committee, etc. Our Company undertakes to take all necessary steps to comply with all the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Currently our board has 10 Directors, of which the Chairman of the Board is an executive Director, and is in compliance with the requirements of Clause 49 of the Listing Agreement, as we have five executive Directors, and five independent directors on our Board.

Audit Committee

The Audit Committee was constituted by our Directors at their Board meeting held on December 20, 2007. The purpose of the committee is to ensure the objectivity, credibility and correctness of our Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters. The committee consists of Mr. Chottu Ram Sharma (Chairman), Mr. Shri Vilas Mani Tripathi and Mr. Pradeep Kumar Mittal.

The terms of reference of the audit committee are as follows:

- the committee shall meet at least four times a year with one meeting before the finalisation of accounts each year;
- the quorum for a meeting shall be either two members or one third of the members of the committee, whichever is higher, with a minimum of two independent directors;
- the Chairman of the committee shall be present in the annual general meeting of our Company to answer shareholder queries;
- the committee shall invite such of the executives, as it considers appropriate (and particularly the head of the finance department) to be present at the meetings of the committee, but on occasions it may also meet in the absence of any such executives of our Company. The finance director, head of internal audit and when required, a representative of the external auditors shall be present as invitees for the meetings of the committee;
- it shall have the authority to investigate into any matter in relation to the items specified in section 292A of the Companies Act or matters referred to it by the Board and for this purpose it shall have full access to information contained in the records of our Company and seek external professional advice, if necessary;
- it shall investigate any activity within its terms of reference;
- it shall oversee our Company's financial reporting process and the disclosure of our financial information to ensure that the financial statements are correct, sufficient and credible;
- it shall review the annual financial statements with the management;
- it shall review with the management, external and internal auditors, the adequacy of internal control systems of our Company;
- it shall review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the officials heading the department, the reporting structure coverage and frequency of internal audit;
- it shall review our Company's financial and risk management policies;
- it shall have discussions with the auditors periodically about the internal control systems. The scope of audit including the observations of the auditors and review the quarterly, half-yearly, and annual financial statements before submissions to the Board; and
- it shall monitor the utilisation of funds to be raised pursuant to the Issue

Shareholders'/ Investor Grievance Committee

The Shareholders'/ Investor Grievance Committee was constituted by our Directors at their Board meeting held on December 20, 2007. This committee is responsible for the redressal of shareholder grievances. The committee consists of Mr. Chottu Ram Sharma (Chairman), Mr. Chakresh Kumar Jain and Mr. Yogesh Kumar Jain.

The terms of reference of the Shareholders'/ Investor Grievance Committee are as follows:

- approving/ authenticating all equity share transfers/transmission requests received from shareholders/ investors of our Company;
- resolving all the complaints received from the investors/ shareholders;
- placing before the Board the status of various complaints received by the committee; and
- the committee shall meet at least once in every fortnightly.

Remuneration Committee

The Remuneration Committee was constituted by our Directors at their Board meeting held on December 20, 2007. This committee is responsible to decide and approve the terms and conditions for appointment of executive directors of our Company, the remuneration payable to other directors and executives of our Company

and matters related thereto. The committee consists of Mr. Shri Vilas Mani Tripathi (Chairman), Mr. Lajpat Rai Jain and Mr. Dharam Vir Gupta.
The terms of reference of the Remuneration Committee are as follows:

- to determine the remuneration, review performance and to decide on variable pay of executive directors;
- such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee; and
- remuneration policy covering policies on remuneration payable to senior executives.

Shareholding of our Directors in our Company

Name of the Shareholder	No. of Equity Shares	Pre-Issue Percentage Shareholding	Post-Issue Percentage Shareholding
Mr. Pradeep Kumar Jain	6,813,200	31.52	24.67
Mr. Chakresh Kumar Jain	200	Negligible	Negligible
Mr. Yogesh Kumar Jain	40,200	0.19	0.15
Mr. Anil Kumar Rao	200	Negligible	Negligible
Total	**6,853,800**	**31.71**	**24.82**

Interests of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Mr. Pradeep Kumar Jain, Mr. Chakresh Kumar Jain, Mr. Yogesh Kumar Jain and Mr. Anil Kumar Rao are entitled to receive remuneration from us.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be be held by their HUFs. For details see the section titled "Capital Structure" on page 15 of this Draft Red Herring Prospectus. Additionally, our Directors may also be regared as interested in the Equity Shares subscribed by or allotted to the companies, HUF's, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Further Mr. Pradeep Kumar Jain, Mr. Naveen Kumar Jain, Mr. Chakresh Kumar Jain and Mr. Yogesh Kumar Jain are brothers.

Our Company occupies the registered office and corporate headquarters located at D-51, Kamla Nagar, Agra pursuant to a lease deed with Mr. Chakresh Kumar Jain, our Promoter and Director. Additionally, our Company has also taken on a leasehold basis the property located at D-5/7, Basant Vihar, New Delhi to serve as the administrative office from the individual promoters. Except as stated above, our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus.

Except as stated in the section titled "Related Party Transactions" on page 92 of this Draft Red Herring Prospectus our Directors do not have any other interest in our business.

Remuneration of our Directors

Mr. Pradeep Kumar Jain

The terms of employment and remuneration of Mr. Pradeep Kumar Jain pursuant to board resolution dated September 22, 2007, include the following:

Particulars	Remuneration
Salary	Rs. 200,000 per month
Other Allowances	▪ Rent free furnished accommodation. ▪ Reimbursement of medical expenses incurred for self and family upto one months' salary in a year or three months' salary over a period of three years. ▪ Leave travel concession for self and family once a year as per rules. ▪ Personal accident insurance where premium paid by our Company. ▪ Club fees for a maximum of two clubs (excluding admission and life membership

Particulars	Remuneration
	fees). ▪ Provident fund, superannuation benefits and gratuity as per Company rules subject to the guidelines for managerial remuneration. ▪ Provision of Company's car. ▪ Provision of free telephone service at residence. ▪ Encashment of leave at the end of tenure as per Company rules.

Mr. Chakresh Kumar Jain and Mr. Yogesh Kumar Jain

The terms of employment and remuneration of each of Mr. Chakresh Kumar Jain and Mr. Yogesh Kumar Jain pursuant to board resolution dated September 22, 2007, include the following:

Particulars	Remuneration
Salary	Rs. 150,000 per month
Other Allowances	▪ Rent free furnished accommodation. ▪ Reimbursement of medical expenses incurred for self and family upto one months' salary in a year or three months' salary over a period of three years. ▪ Leave travel concession for self and family once a year as per rules. ▪ Personal accident insurance where premium paid by our Company. ▪ Club fees for a maximum of two clubs (excluding admission and life membership fees). ▪ Provident fund, superannuation benefits and gratuity as per Company rules subject to the guidelines for managerial remuneration. ▪ Provision of Company's car. ▪ Provision of free telephone service at residence. ▪ Encashment of leave at the end of tenure as per Company rules.

Mr. Anil Kumar Rao

The terms of employment and remuneration of Mr. Anil Kumar Rao pursuant to board resolution dated January 2, 2008, include the following:

Particulars	Remuneration
Salary	Rs. 85,000 per month
Other Allowances	▪ Rent free furnished accommodation. ▪ Leave travel consession for self and family once a year as per rules. ▪ Personal accident insurance where premium paid by our Company. ▪ Club fees for a maximum of two clubs (excluding admission and life membership fees). ▪ Provident fund, superannuation benefits and gratuity as per Company rules subject to the guidelines for managerial remuneration. ▪ Provision of Company's car. ▪ Provision of free telephone service at residence. ▪ Encashment of leave at the end of tenure as per Company rules.

Terms and Conditions of Employment of Non-Executive Directors

The non-executive Directors do not have service contracts with our Company. Each non-executive Director has been appointed pursuant to a resolution of the Board of Directors. Our Company will pay each non-executive Director sitting fees upto Rs. 2,500 for each Board and committee meetings.

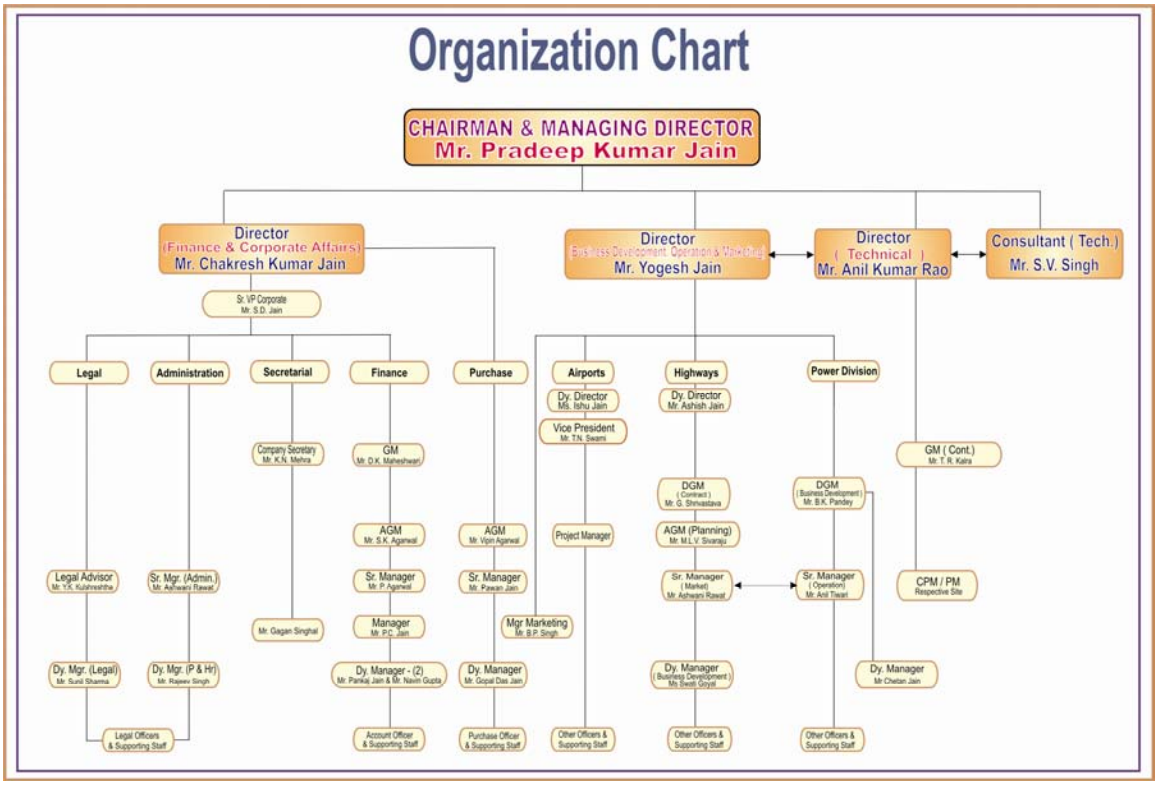
Changes in Our Board of Directors during the last three years

The changes in our Board of Directors during the last three years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Naveen Kumar Jain	February 20, 2006	Continuing	Appointment
Mr. Chottu Ram Sharma	October 25, 2007	Continuing	Appointment
Mr. Shri Vilas Mani Tripathi	November 22, 2007	Continuing	Appointment
Mr. Dharam Vir Gupta	December 3, 2007	Continuing	Appointment
Mr. Pradeep Kumar Mittal	December 19, 2007	Continuing	Appointment

Name	Date of Appointment	Date of Cessation	Reason
Mr. Lajpat Rai Jain	December 28, 2007	Continuing	Appointment

Managerial Organisational Structure



Key Managerial Personnel

The details regarding our key managerial personnel are as follows:

Mr. Ashish Jain, 38 years, Deputy Director, is an engineer by profession. He completed his B.E. (Mech.) degree from Nagpur University in 1991. Prior to joining our Company in October 1, 2007, he pursued his own practise of consultancy. His current responsibilities in our Company include overseeing project, deployment of machines and machine management. Mr. Jain currently receives a remuneration of Rs. 30,000 per month.

Ms. Ishu Jain, 24 years, Deputy Director, is an engineer by profession. She completed her B.Arch. degree from Amrawati University in 2006, with First Division and joined our Company on October 1, 2007. Her current responsibilities in our Company include project planning and execution. Ms. Jain currently receives a remuneration of Rs. 40,000 per month.

Mr. Sunil Dutt Jain, 50 years, Senior Vice President (Corporate), is a chartered accountant (FCA) and a qualified company secretary (FCS). He is a B.Com (Hons) graduate from Shri Ram College of Commerce, University of Delhi in 1977. Prior to joining our Company on December 17, 2007, he had worked with various corporates for about 26 years such as, Wavin India Limited, LML Limited, Pasupati Acrylon Limited, BSES Rajdhani Power Limited (Reliance Energy Group Company), IC Textile Limited in senior capacity. His current responsibility in our Company is to oversee finance, accounts, taxation, secretarial and other allied functions. Mr. Jain is entitled to receive a remuneration of Rs.100,000 per month.

Mr. Triloki Nath Swami, 61 years, Vice President (Airport), is an engineer by profession. He is a science graduate from Agra University in 1964 and completed B.E. (Civil) from Roorkee University (presently Roorkee-IIT) in 1967. Prior to joining our Company on November 1, 2006, he was Chief Engineer UP PWD, Lucknow from 1970 to 2006. He has been awarded many honorariums including execution of multi- story buildings, colonies, industrial projects and national and other highways financed by the World Bank. He was specially trained for Express Highways Construction in PEN State University USA in 1989. His current responsibility in our Company is to oversee the airport division. Mr. Swami received a remuneration of Rs. 125,000 in Fiscal 2007.

Mr. Tilak Raj Kalra, 64 years, GM (Contract), is an engineer by profession. He completed his B.E. (Civil) degree from Roorkee University (now IIT Roorkee) in October 1964, with First Division. He held a senior position with UP Government in Public Works Department and Irrigation Department for approximately 38 years and retired as Superintendent Engineer in 2001. Prior to joining our Company on December 23, 2003, Mr. Kalra was an assistant general manager in J. P. Industries Limited. His current responsibilities in our Company include overseeing projects, agreements, JVs, insurance matters and liaison with Government departments. Mr. Kalra received a remuneration of Rs. 292,500 in Fiscal 2007.

Mr. Devendra Kumar Maheshwari, 43 years, General Manager Finance, holds M.Com. first division with specialisation in accountancy in 1983 from Agra University, Agra. He has over 25 years of experience in finance and accounts out of which over 20 years in different units of Bangar, Birlas and Golcha group of Nepal. Prior to joining our Company on November 20, 2003, he was the Finance Executive in Sri Ram Sugar Mill in Nepal. His current responsibilities in our Company include overall controlling of finance, liaison with banks and participating in all matter relating to finance and general administration. Mr. Maheshwari received a remuneration of Rs. 213,000 in Fiscal 2007.

Mr. Kailash Narain Mehra, 49 years, holds a Bachelor of Commerce from Agra University in the year 1977, LL.B. from Agra University in the year 1987 and is a qualified Company Secretary. Prior to joining our Company on November 10, 2006, he was General Manager in Jas Export, a 100% Export Oriented Unit. He also has over 16 years of experience in two public limited listed companies as the company secretary and has handled two public issues and one rights issue. His current responsibilities in our Company include legal and secretarial compliances. Mr. Mehra received a remuneration of Rs. 98,700 in Fiscal 2007.

Mr. Ganesh Srivastava, 67 years, Deputy General Manager Contract, is a civil engineer by profession. He completed his Diploma in Civil Engineering from Uttar Pradesh in 1959. Prior to joining our Company on September 7, 2002, he retired from Assistant Engineer Cadre of UP PWD after completing 35 years of regular Government service. During his Government service he was awarded many honorariums by the U.P Government for his outstanding performance. He is life member of Indian Road Congress. He has experience of approximately 46 years across various branches of civil engineering. His current responsibilities in our Company include overseeing the business development department and tendering work right from pre bid survey to bid submission. He is also associated with project monitoring and value engineering of on going project works. Mr. Srivastava received a remuneration of Rs. 243,000 in Fiscal 2007.

Mr. Brijesh Kumar Pandey, 36 years, DGM Business Development, is an engineer by profession. He completed his B.E. (Civil) from Bangalore University in 1992, with First Division. Prior to joining our Company on February 1, 2007, he was the manager (marketing and business development) with KEC International Limited. His current responsibility in our Company is to look after power sector and other business opportunities for our Company. Mr. Pandey received a remuneration of Rs. 100,000 in Fiscal 2007.

All our key managerial personnel are permanent employees of our Company. Except Mr. Ashish Jain and Ms. Ishu Jain who are related to Mr. Pradeep Kumar Jain, Mr. Chakresh Kumar Jain and Mr. Yogesh Kumar Jain none of our Directors and our key managerial personnel are related to each other.

Shareholding of the Key Managerial Personnel

None of the key managerial personnel hold any Equity Shares.

Bonus or profit sharing plan of the Key Managerial Personnel

There is no bonus or profit sharing plan for our key managerial personnel.

Interest of Key Managerial Personnel

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Changes in the Key Managerial Personnel

The changes in the key managerial personnel in the last three years are as follows:

Name of the Key Managerial Person	Date of Joining	Date of Leaving	Reason for change
Mr. Triloki Nath Swami	November 1, 2006	Continuing	Appointment
Mr. Kailash Narain Mehra	November 10, 2006	Continuing	Appointment
Mr. Asish Jain	October 1, 2007	Continuing	Appointment
Ms. Ishu Jain	October 1, 2007	Continuing	Appointment
Mr. Brijesh Kumar Pandey	February 1, 2007	Continuing	Appointment
Mr. Sunil Dutt Jain	December 17, 2007	Continuing	Appointment

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The following are our individual promoters:
1) Mr. Pradeep Kumar Jain;
2) Mr. Naveen Kumar Jain;
3) Mr. Chakresh Kumar Jain; and
4) Mr. Yogesh Kumar Jain.

The following are the corporate entities which are our promoters:
1) PNC Project Private Limited;
2) PNC Cold Storage Private Limited;
3) A.S. Infraprojects Private Limited;
4) Shri Mahaveer Infrastructure Private Limited; and
5) Shri Parasnath Infrastructure Private Limited.

Mr. Pradeep Kumar Jain, is the Chairman cum Managing Director and one of the Promoters of our Company. He holds a Bachelors' degree in Arts degree from the University of Agra. He has over 30 years of experience in the construction and infrastructure sector and allied areas. Mr. Jain is a promoter and one of the first directors of our Company. His current responsibilities include overall administration and supervision of projects and liaison with Government and non-Government agencies.

Identification	Details
Driving License No.	4291/ P/ 95
Voter Identification No.	UP/ 73/ 358/ 291585

Mr. Naveen Kumar Jain, is a non-executive Director and one of the Promoters of our Company. He graduated with a Bachelor of Arts degree from Agra University. He has over 22 years of experience in industries such as construction, cold storage transportation etc. He has experience of construction, machineries and transport organisation. His current responsibilities include giving valuable informations and guidance in the best interest of our Company.

Identification	Details
Driving License No.	2869/ P/ 95
Voter Identification No.	LDD1255793

Mr. Chakresh Kumar Jain, a whole-time Director, holds a Bachelors' degree in Science from Agra University in 1985 and Bachelor of Law degree from Agra University in 1988. He has over 20 years of experience in development of infrastructure sector, such as, construction of highways, airports, rail over bridges among others. Mr. Jain is a promoter and one of the first directors of our Company. His current responsibilities include overall financial and project management and administration.

Identification	Details
Driving License No.	6553/ P/ 95
Voter Identification No.	UP/ 73/ 358/ 291587

Mr. Yogesh Kumar Jain, a whole-time Director, holds a Bachelors' degree in Engineering from Bangalore University in 1993. He has over 16 years of experience in planning, execution, supervision of work from the initiation of pre-qualification and tendering. Mr. Jain is a promoter and one of the first

directors of our Company. He has experience in the execution of highways, runways and bridge construction projects and has thus become an asset to our Company. His current responsibilities include technical supervision of projects upto completion stage of such projects.

Identification	**Details**
Driving License No.	6497/ P/ 95
Voter Identification No.	LDD1254820

1) PNC Project Private Limited

PNC Project Private Limited was incorporated on May 12, 1998 under the Companies Act. Its registered office is located at D-5/7 Vasant Vihar New Delhi. It is primarily engaged in the business of construction and developing of roads, national highways, runways, air-strips, dams, commercial complexes, townships etc. and allied construction and development works.

PNC Project Private Limited was promoted by Mr. Pradeep Kumar Jain, Mr. Chakresh Kumar Jain and Mr. Yogesh Kumar Jain.

Shareholding pattern

Set forth below is the shareholding pattern of PNC Project Private Limited as on January 10, 2008.

Name of Shareholder	No. of Equity Shares of Rs. 10 each	Percentage of Shareholding
Mr. Pradeep Kumar Jain	6,500	0.44
Mr. Chakresh Kumar Jain	1,500	0.10
Mr. Yogesh Kumar Jain	6,500	0.44
Oracle Credit Limited	86,000	5.87
Mr. Yogesh Kumar Jain as Karta of YK Jain (HUF)	50,000	3.41
Ms. Premwati Jain	10,000	0.68
Ms. Madhavi Jain	20,000	1.36
Ms. Meena Jain	10,000	0.68
Mr. Naveen Kumar Jain	12,500	0.85
Mr. Abhinandan Jain	12,500	0.85
Lloyd Sales Private Limited	1,250,000*	85.30
Total	**1,465,500**	**100.00**

** as on January 10, 2008, Rs. 5 per equity share has been paid up.*

There has been no change in the capital structure of PNC Project Private Limited in the last six months. There has been no change in the management of PNC Project Private Limited since its incorporation.

Board of Directors

The board of directors of PNC Project Private Limited as on January 10, 2008 comprises Mr. Pradeep Kumar Jain, Mr. Chakresh Kumar Jain and Mr. Yogesh Kumar Jain.

Financial Performance

The audited financial results of PNC Project Private Limited for Fiscal 2005, 2006 and 2007 are as follows:

(Rs. in millions, unless otherwise stated)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Total Income	0.06	0.03	0.08
Profit after Taxation	0.04	0.01	0.05
Equity Capital	1.91	1.91	14.66
Reserves (Excluding revaluation Reserve)	8.09	8.10	53.65
Net Assets Value (Rs.)	9.99	10.00	68.30
Earning Per Share (EPS) (Rs.)	0.02	0.00	0.00

2) PNC Cold Storage Private Limited

PNC Cold Storage Private Limited was incorporated on May 3, 1999 under the Companies Act. Its registered office is located at C-2/37, Vikas Market, Kamla Nagar, Agra. It is primarily engaged in the business of installing, purchasing, taking on lease and running, conducting and operating cold storages, warehouses, dry storage warehouses, bounded warehouses, air conditioning or any other plants to store and preserve frozen and all kinds of perishable or non perishable food stuff etc. or otherwise to act as transporters, carriers etc.

PNC Cold Storage Private Limited was promoted by Mr. Pradeep Kumar Jain, Mr. Naveen Kumar Jain, Mr. Chakresh Kumar Jain and Mr. Yogesh Kumar Jain.

Shareholding pattern

Set forth below is the shareholding pattern of PNC Cold Storage Private Limited as on January 10, 2008.

Name of Shareholder	No. of Equity Shares of Rs. 10 each	Percentage of Shareholding
Mr. Chakresh Kumar Jain	179,700	19.41
Mr. Naveen Kumar Jain	201,100	21.72
Mr. Yogesh Kumar Jain	113,200	12.23
Mr. Naveen Kumar Jain (HUF)	109,800	11.86
Ms. Premwati Jain	800	0.09
Ms. Renu Jain	500	0.05
Ms. Meena Jain	180,500	19.50
Mr. Abhinandan Jain	6,000	0.65
Ms. Madhvi Jain	110,100	11.89
Ms. Ashita Jain	24,000	2.59
Total	**925,700**	**100.00**

There has been no change in the capital structure of PNC Cold Storage Private Limited in the last six months. There has been no change in the management of PNC Cold Storage Private Limited since its incorporation.

Board of Directors

The board of directors of PNC Cold Storage Private Limited as on January 10, 2008 comprises Mr. Pradeep Kumar Jain, Mr. Naveen Kumar Jain, Mr. Chakresh Kumar Jain and Mr. Yogesh Kumar Jain

Financial Performance

The audited financial results of PNC Cold Storage Private Limited for Fiscal 2005, 2006 and 2007 are as follows:

(Rs. in millions unless stated otherwise)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Total Income	6.30	4.52	4.92
Profit after Taxation	4.60	3.06	3.77
Equity Capital	9.26	9.26	9.26
Reserves (Excluding revaluation Reserve)	35.33	38.09	42.16
Net Assets Value (Rs.)	44.59	47.65	51.42
Earning Per Share (EPS) (Rs.)	0.50	0.33	0.41

3) A.S. Infraprojects Private Limited

A.S. Infrastructure Private Limited was incorporated on October 14, 2005 under the Companies Act. Its registered office is located at P-7, Green Park Ext, New Delhi. It is primarily engaged in the business of dealing in lands, buildings, factories, houses, flats and other residential, commercial properties etc. and construct, maintain and alter residential, commercial and industrial plots and properties and give them on lease rent etc. and develop, construct, build, erect, demolish, re-erect, alter, repair, re-model or do any activities relating to construction of any building or any other structural or architectural work.

A.S. Infrastructure Private Limited was promoted by Mr. Ashok Kumar Saini and Mr. Sudhir Kumar Jain.

Shareholding pattern

Set forth below is the shareholding pattern of A.S. Infrastructure Private Limited as on January 10, 2008.

Name of Shareholder	No. of Equity Shares of Rs. 10 each	Percentage of Shareholding
Ms. Madhvi Jain	15,100	37.75
Ms. Renu Jain	100	0.25
Ms. Meena Jain	4,600	11.50
Mr. Pradeep Kumar Jain (HUF)	100	0.25
Ms. Premwati Jain	100	0.25
Ms. Ashita Jain	20,000	50.00
Total	**40,000**	**100.00**

There has been no change in the capital structure of A.S. Infrastructure Private Limited in the last six months. There has been no change in the management of A.S. Infrastructure Private Limited since its incorporation.

Board of Directors

The board of directors of A.S. Infraprojects Private Limited as on January 10, 2008 comprises Mr. Abhinandan Jain and Mr. Sudhir Kumar Jain

Financial Performance

As A.S. Infraprojects Private Limited was incorporated in Fiscal 2006, the audited financial results for Fiscal 2005 do not exist. The audited financial results of A.S. Infraprojects Private Limited for Fiscal 2006 and 2007 are as follows:

(Rs. in millions unless stated otherwise)

Particulars	Fiscal 2006	Fiscal 2007
Total Income	0.41	8.25
Profit after Taxation	0.00	0.01
Equity Capital	0.40	0.40
Reserves (Excluding revaluation Reserve)	2.70	2.71
Net Assets Value (Rs.)	3.10	3.11
Earning Per Share (EPS) (Rs.)	0.01	0.01

4) Shri Parasnath Infrastructure Private Limited

Shri Parasnath Infrastructure Private Limited was incorporated on October 25, 2005 under the Companies Act. Its registered office is located at P-7, Green Park Extension, New Delhi. It is primarily engaged in the business of dealing in lands, buildings, factories, houses, flats and other residential, commercial properties etc. and construct, maintain and alter residential, commercial and industrial plots and properties and give them on lease rent etc. and develop, construct, build, erect, demolish, re-erect, alter, repair, re-model or do any activities relating to construction of any building or any other structural or architectural work.

Shri Parasnath Infrastructure Private Limited was promoted by Mr. Ashok Kumar Saini and Mr. Sudhir Kumar Jain.

Shareholding pattern

Set forth below is the shareholding pattern of Shri Parasnath Infrastructure Private Limited as on January 10, 2008.

Name of Shareholder	No. of Equity Shares of Rs. 10 each	Percentage of Shareholding
Ms. Renu Jain	5,000	50.00
Ms. Madhvi Jain	5,000	50.00
Total	**10,000**	**100.00**

There has been no change in the capital structure of Shri Parasnath Infrastructure Private Limited in the last six months. There has been no change in the management of Shri Infrastructure Private Limited since its incorporation.

Board of Directors

The board of directors of Shri Parasnath Infrastructure Private Limited as on January 10, 2008 comprises Mr. Nemi Chand Jain and Mr. Abhinandan Jain.

Financial Performance

As Shri Parasnath Infrastructure Private Limited was incorporated in Fiscal 2006, the audited financial results for Fiscal 2005 do not exist. The audited financial results of Shri Parasnath Infrastructure Private Limited for Fiscal 2006 and 2007 are as follows:

(Rs. in millions unless stated otherwise)

Particulars	Fiscal 2006	Fiscal 2007
Total Income	0.02	0.02
Profit after Taxation	0.00	0.00
Equity Capital	0.10	0.10
Reserves (Excluding revaluation Reserve)	0.02	0.01
Net Assets Value (Rs.)	0.11	0.10
Earning Per Share (EPS) (Rs.)	0.04	0.02

5) Shri Mahaveer Infrastructure Private Limited

Shri Mahaveer Infrastructure Private Limited was incorporated on November 3, 2004 under the Companies Act. Its registered office is located at D-5/7, Vasant Vihar, New Delhi. It is primarily engaged in the business of infrastructure development, real estate development, construction of buildings, roads, highways, docks, bridges, canals, dams, ports, reservoirs, other structural or architectural work of any kind, purchase, acquire, take on lease, land, building, structures and to built townships, commercial complexes, other conveniences thereon and to carry on business as planners, designers, architects, engineers, promoters, consultants, advisors, interior decorators etc.

Shri Mahaveer Infrastructure Private Limited was promoted by Mr. Naveen Kumar Jain and Mr. Abhinandan Jain.

Shareholding pattern

Set forth below is the shareholding pattern of Shri Mahaveer Infrastructure Private Limited as on January 10, 2008.

Name of Shareholder	No. of Equity Shares of Rs. 10 each	Percentage of Shareholding
Mr. Naveen Jain	5,000	1.12
Mr. Abhinandan Jain	5,000	1.12
PNC Cold Storage Private Limited	62,500	13.97
Lloyd Sales Private Limited	375,000*	83.80
Total	**447,500**	**100.00**

** as on January 10, 2008, Rs.5 per equity share has been paid up*

There has been no change in the capital structure of Shri Mahaveer Infrastructure Private Limited in the last six months. There has been no change in the management of Shri Mahaveer Infrastructure Private Limited since its incorporation.

Board of Directors

The board of directors of Shri Mahaveer Infrastructure Private Limited as on January 10, 2008 comprises Mr. Naveen Kumar Jain and Mr. Abhinandan Jain.

Financial Performance

The audited financial results of Shri Mahaveer Infrastructure Private Limited for Fiscal 2005, 2006 and 2007 are as follows:

(Rs. in millions unless stated otherwise)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Total Income	0.00	0.00	(0.02)
Profit after Taxation	0.00	0.00	(0.02)
Equity Capital	0.10	0.10	2.60
Reserves (Excluding revaluation Reserve)	0.00	0.01	(0.02)
Net Assets Value (Rs.)	0.10	0.09	2.56
Earning Per Share (EPS) (Rs.)	--	--	--

Common Pursuits

The main objects of some of our promoter group entities, *viz.*, PNC Project Private Limited, AS Infraprojects Private Limited and Shri Mahaveer Infrastructure Private Limited and certain Promoter Group entities, *viz.*, PNC Infrastructure Private Limited, NCJ Infrastructure Private Limited and Ideal Buildtech Private Limited permit them to engage in business activities similar to those undertaken by our Company such as construction and civil engineering and this could be a potential source of conflict of interest. We have however entered into a non compete agreement with such promoter and promoter group entities whereby these entities have agreed that they shall not undertake the development or execution of any new civil construction or infrastructure projects, excluding any civil construction or infrastructure projects that are currently in the development or execution stage or for which they have made bids, received orders or been awarded contracts, any dealing in real estate development work and any construction or development in respect of properties acquired by such Promoter and Promoter Group entities.

For further details on the related party transactions, to the extent of which our Company is involved, see the section titled "Related Party Transactions" on page 92 of this Draft Red Herring Prospectus.

Interest in promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company, their shareholding and to the extent of them being directors of our Company.

For further details on the interest of our Directors, see the section titled "Our Management - Interests of Directors" on page 75 of this Draft Red Herring Prospectus.

Our Company occupies the registered office and corporate headquarters located at D-51, Kamla Nagar, Agra pursuant to a lease deed with Mr. Chakresh Kumar Jain, our Promoter and Director. Additionally, our Company has also taken on a leasehold basis the property located at D-5/7, Basant Vihar, New Delhi to serve as the administrative office from the individual promoters. Except as stated above, our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus.

Our Promoters have no other interest in the promotion of our Company.

Payment of benefits to the Promoters during the last two years

Except as stated in the section titled "Financial Statements - Related Party Transactions" on page 94 of this Draft Red Herring Prospectus, there has been no payment of benefits to the Promoters during the last two years from the date of filing of this Draft Red Herring Prospectus.

Other Confirmations

Our Company confirms that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoters will be submitted to the Stock Exchanges.

Further, our Promoters and members of our Promoter Group have confirmed that they have not been detained as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Additionally, none of our Promoters nor members of our Promoter Group have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Promoter Group

In addition to the Promoters named above, the following natural persons, HUFs and companies constitute our Promoter Group.

The natural persons who are part of our Promoter Group (due to their relationship with our Promoters) other than the individual Promoters named above are as follows:

Sr. No.	Name	Relation with Promoter
1.	Ms. Premwati Jain	Mother of Mr. PK Jain, Mr. CK Jain, Mr. YK Jain and Mr. NK Jain
2.	Mr. Abhinandan Jain	Son of Mr. PK Jain
3.	Mr. Anirudh Jain	Son of Mr. PK Jain
4.	Ms. Priyanka Jain	Daughter of Mr. PK Jain
5.	Ms. Heena Jain	Daughter of Mr. PK Jain
6.	Mr. Hardik Jain	Grandson of Mr. PK Jain
7.	Ms. Meena Jain	Wife of Mr. PK Jain
8.	Ms. Rashmi Jain	Sister of Mr. PK Jain, Mr. CK Jain, Mr. YK Jain and Mr. NK Jain
9.	Ms. Usha Jain	Sister of Mr. PK Jain, Mr. CK Jain, Mr. YK Jain and Mr. NK Jain
10.	Mr. Vaibhav Jain	Son of Mr. NK Jain
11.	Ms. Prili Jain	Daughter of Mr. NK Jain
12.	Ms. Ankita Jain	Daughter of Mr. NK Jain
13.	Ms. Eti Jain	Daughter of Mr. NK Jain
14.	Mr. Anuj Jain	Son of Mr. CK Jain
15.	Mr. Harshvardhan Jain	Son of Mr. CK Jain
16.	Ms. Ayushi Jain	Daughter of Mr. CK Jain
17.	Mr. Saksham Jain	Son of Mr. YK Jain
18.	Mr. Arnav Jain	Son of Mr. YK Jain
19.	Ms. Sakshi Jain	Daughter of Mr. YK Jain
20.	Ms. Renu Jain	Wife of Mr. NK Jain
21.	Ms. Madhvi Jain	Wife of Mr. CK Jain
22.	Ms. Ashita Jain	Wife of Mr. YK Jain

The HUFs that are part of our Promoter Group (due to their relationship with our Promoter), other than the Promoters named above are as follows:

Sr. No.	Name of HUF
1.	Pradeep Kumar Jain (HUF)
2.	Naveen Kumar Jain (HUF)
3.	Chakresh Kumar Jain (HUF)
4.	Yogesh Kumar Jain (HUF)

The companies that are part of our Promoter Group other than the Promoters named above are as follows:

Sr. No.	Name of company
1.	PNC Mining Private Limited
2.	PNC Infrastructure Private Limited
3.	NCJ Infrastructure Private Limited

Sr. No.	Name of company
4.	Ideal Buildtech Private Limited
5.	Suash Trading and Manufacturing Private Limited
6.	KMJ Infrastructure Private Limited

The details of our Promoter Group companies are as follows:

1) PNC Mining Private Limited

PNC Mining Private Limited was incorporated on January 25, 2005 under the Companies Act and is engaged in the business of taking on lease, concession, grant or otherwise acquire mines and mining rights and to explore, work, develop, administer, maintain, manufacture, assemble, import, export, buy, sell, lent on hire, manage or control works, stone crushes plant, hydraulic works, engineering and improvement works, crushing mills, smelting works, ice plant, refrigeration plant, cold storage unit, earth moving machines for crushing, spares, accessories and all other kindered plants.

Shareholding pattern

Set forth below is the shareholding pattern of PNC Mining Private Limited as on January 10, 2008.

Name of Shareholder	No. of Equity Shares of Rs. 10 each	Percentage of Shareholding
Mr. Chakresh Kumar Jain	4,700	47.00
Mr. Abhinandan Jain	4,500	45.00
Ms. Meena Jain	100	1.00
Mr. Naveen Kumar Jain	100	1.00
Ms. Premwati Jain	200	2.00
Chakresh Kumar Jain (HUF)	100	1.00
Ms. Madhvi Jain	100	1.00
Mr. Yogesh Kumar Jain	100	1.00
Mr. Pradeep Kumar Jain	100	1.00
Total	**10,000**	**100.00**

There has been no change in the capital structure of PNC Mining Private Limited in the last six months.

Board of Directors

The board of directors of PNC Mining Private Limited as on January 10, 2008 comprises Mr. Chakresh Kumar Jain and Mr. Abhinandan Jain.

Financial Performance

As PNC Mining Private Limited was incorporated in Fiscal 2006, the audited financial results for Fiscal 2005 do not exist. The audited financial results of PNC Mining Private Limited for Fiscal 2006 and 2007 are as follows:

(Rs. in millions unless stated otherwise)

Particulars	Fiscal 2006	Fiscal 2007
Total Income	0.01	0.01
Profit after Taxation	0.00	0.01
Equity Capital	0.10	0.10
Reserves (Excluding revaluation Reserve)	0.00	0.01
Net Assets Value (Rs.)	0.10	0.11
Earning Per Share (EPS) (Rs.)	0.04	0.07

2) PNC Infrastructure Private Limited

PNC Infrastructure Private Limited was incorporated on July 13, 2005 under the Companies Act and is engaged in the business of infrastructure development, real estate development, construction of buildings, roads, highways, docks, bridges, canals, dams, ports, reservoirs, other structural or architectural work of any kind, purchase, acquire, take on lease, land, building, structures and to built townships, commercial complexes, other conveniences thereon and to carry on business as planners, designers, architects, engineers, promoters, consultants, advisors, interior decorators etc.

Shareholding pattern

Set forth below is the shareholding pattern of PNC Infrastructure Private Limited as on January 10, 2008.

Name of Shareholder	No. of Equity Shares of Rs. 10 each	Percentage of Shareholding
Mr. Pradeep Kumar Jain	5,000	50.00
Mr. Chakresh Kumar Jain	2,500	25.00
Mr. Yogesh Kumar Jain	2,500	25.00
Total	**10,000**	**100.00**

There has been no change in the capital structure of PNC Infrastructure Private Limited in the last six months.

Board of Directors

The board of directors of PNC Infrastructure Private Limited as on January 10, 2008 comprises Mr. Chakresh Kumar Jain, Mr. Yogesh Kumar Jain and Mr. Pradeep Kumar Jain.

Financial Performance

As PNC Infrastructure Private Limited was incorporated in Fiscal 2006, the audited financial results for Fiscal 2005 do not exist. The audited financial results of PNC Infrastructure Private Limited for Fiscal 2006 and 2007 are as follows:

(Rs. in millions unless stated otherwise)

Particulars	Fiscal 2006	Fiscal 2007
Total Income	0.00	0.00
Profit after Taxation	0.00	0.00
Equity Capital	0.10	0.10
Reserves (Excluding revaluation Reserve)	0.00	0.01
Net Assets Value (Rs.)	0.10	0.12
Earning Per Share (EPS) (Rs.)	0.04	0.05

3) NCJ Infrastructure Private Limited

NCJ Infrastructure Private Limited was incorporated on July 17, 2002 under the Companies Act and is engaged in the business of infrastructure development, real estate development, construction of buildings, roads, highways, docks, bridges, canals, dams, ports, reservoirs, other structural or architectural work of any kind, purchase, acquire, take on lease, land, building, structures and to built townships, commercial complexes, other conveniences thereon and to carry on business as planners, designers, architects, engineers, promoters, consultants, advisors, interior decorators etc.

Shareholding pattern

Set forth below is the shareholding pattern of NCJ Infrastructure Private Limited as on January 10, 2008.

Name of Shareholder	No. of Equity Shares of Rs. 10 each	Percentage of Shareholding
Shri Mahaveer Infrastructure Private Limited	250,000	47.17
KMJ Infrastructure Private Limited	40,000	7.55
Ginni Fincap Private Limited	240,000	45.28
Total	**530,000**	**100.00**

There has been no change in the capital structure of NCJ Infrastructure Private Limited in the last six months.

Board of Directors

The board of directors of NCJ Infrastructure Private Limited as on January 10, 2008 comprises Mr. Chakresh Kumar Jain and Mr. Yogesh Kumar Jain.

Financial Performance

The audited financial results of NCJ Infrastructure Private Limited for Fiscal 2005, 2006 and 2007 are as follows:

(Rs. in millions unless stated otherwise)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Total Income	0.46	0.50	0.50
Profit after Taxation	0.35	0.40	0.40
Equity Capital	5.30	5.30	5.30
Reserves (Excluding revaluation Reserve)	0.42	0.81	1.22
Net Assets Value (Rs.)	5.72	6.11	6.52
Earning Per Share (EPS) (Rs.)	0.07	0.07	0.08

4) Ideal Buildtech Private Limited

Ideal Buildtech Private Limited was incorporated on October 3, 2005 under the Companies Act and is engaged in the business of infrastructure development, real estate development, construction of buildings, roads, highways, docks, bridges, canals, dams, ports, reservoirs, other structural or architectural work of any kind, purchase, acquire, take on lease, land, building, structures and to built townships, commercial complexes, other conveniences thereon and to carry on business as planners, designers, architects, engineers, promoters, consultants, advisors, interior decorators etc.

The equity shares of Ideal Buildtech Private Limited are not listed on any stock exchange.

Shareholding pattern

Set forth below is the shareholding pattern of Ideal Buildtech Private Limited as on January 10, 2008.

Name of Shareholder	No. of Equity Shares of Rs. 10 each	Percentage of Shareholding
Mr. Chakresh Kumar Jain	5,000	50.00
Mr. Abhinandan Jain	5,000	50.00
Total	**10,000**	**100.00**

There has been no change in the capital structure of Ideal Buildtech Private Limited in the last six months.

Board of Directors

The board of directors of Ideal Buildtech Private Limited as on January 10, 2008 comprises Mr. Chakresh Kumar Jain and Mr. Abhinandan Jain.

Financial Performance

As Ideal Buildtech Private Limited was incorporated in Fiscal 2006, the audited financial results for Fiscal 2005 do not exist. The audited financial results of Ideal Buildtech Private Limited for Fiscal 2006 and 2007 are as follows:

(Rs. in millions unless stated otherwise)

Particulars	Fiscal 2006	Fiscal 2007
Total Income	0.02	0.02
Profit after Taxation	0.00	0.00
Equity Capital	0.10	0.10
Reserves (Excluding revaluation Reserve)	0.00	0.01
Net Assets Value (Rs.)	0.10	0.11
Earning Per Share (EPS) (Rs.)	--	--

5) Suash Trading and Manufacturing Private Limited

Suash Trading and Manufacturing Private Limited was incorporated on November 13, 1997 under the Companies Act and is engaged in the business as promoters, manufacturers, importers, exporters, dealers in chemicals of all kinds and description, metals and their products or all kinds and description and demonstration, plastic and its products or all kinds and description, agro products, agriculture, goods items of all kinds and its description wood, construction material, stones, marbles of all kinds and its description, rubber and its products of all kinds, and its description, cloth/fabrics of all kinds and its description/ bio-chemicals of all kinds and its description, engineering products of all kinds, and description, electrical and electronic goods of all kinds and their demonstration and description, computer hardware, software of all kinds and its description, telecommunication systems, networking systems, internet services and globally marketing all products and services.

The equity shares of Suash Trading and Manufacturing Private Limited are not listed on any stock exchange.

Shareholding pattern

Set forth below is the shareholding pattern of Suash Trading and Manufacturing Private Limited as on January 10, 2008.

Name of Shareholder	No. of Equity Shares of Rs. 10 each	Percentage of Shareholding
Ms. Madhvi Jain	9,060	52.92
Ms. Meena Jain	8,060	47.08
Total	**17,120**	**100.00**

There has been no change in the capital structure of Suash Trading and Manufacturing Private Limited in the last six months.

Board of Directors

The board of directors of Suash Trading and Manufacturing Private Limited as on January 10, 2008 comprises Mr. Ashok Kumar Saini and Mr. Sudhir Kumar Jain.

Financial Performance

The audited financial results of Suash Trading and Manufacturing Private Limited for Fiscal 2005, 2006 and 2007 are as follows:

(Rs. in millions unless stated otherwise)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Total Income	0.02	0.02	0.01
Profit after Taxation	0.00	0.00	0.00
Equity Capital	0.17	0.17	0.17
Reserves (Excluding revaluation Reserve)	8.39	8.39	8.39
Net Assets Value (Rs.)	8.56	8.56	8.56
Earning Per Share (EPS) (Rs.)	0.01	0.00	0.00

6) KMJ Infrastructure Private Limited

KMJ Infrastructure Private Limited was incorporated on July 28, 2004 under the Companies Act and is engaged in the business as as contractors, sub contractors, real estate developers, promoters, builders, colonisers and to lay out , develop, construct, build, erect, demolish, re-erect, alter, repair, re-model or do any activities relation to construction of any building or building scheme, roads, highways, docks, ships, sewers, bridge, canals wells, springs, serias, dams, power plants, wharves, ports, reservoirs, embankments, tramways, railways, irrigations, reclamations, improvement, sanitary, water, gas electric, light, telephonic, telegraphic and power supply work or any other structural or architectural work of any king.

Shareholding pattern

Set forth below is the shareholding pattern of KMJ Infrastructure Private Limited as on January 10, 2008.

Name of Shareholder	No. of Equity Shares of Rs. 10 each	Percentage of Shareholding
Ms. Madhvi Jain	5,000	50.00
Mr. Abhinandan Jain	5,000	50.00
Total	**10,000**	**100.00**

Board of Directors

The board of directors of KMJ Infrastructure Private Limited as on January 10, 2008 comprises Ms. Madhvi Jain and Mr. Abhinandan Jain.

Financial Performance

The audited financial results of KMJ Infrastructure Private Limited for Fiscal 2005, 2006 and 2007 are as follows:

(Rs. in millions unless stated otherwise)

Particulars	Fiscal 2005	Fiscal 2006	Fiscal 2007
Total Income	0.03	0.00	0.00
Profit after Taxation	0.02	(0.00)	(0.01)
Equity Capital	0.10	0.10	0.10
Reserves (Excluding revaluation Reserve)	0.02	0.01	0.01
Net Assets Value (Rs.)	0.12	0.11	0.11
Earning Per Share (EPS) (Rs.)	0.00	0.00	0.00

Companies with which the Promoters / Promoter Group have disassociated in the last three years.

Our Promoters have not disassociated with any company or firm in the last three years.

Other Confirmations

None of our Promoter Group companies have become sick companies under the meaning of the SICA and no winding up proceedings have been initiated against them. Further no application has been made, in respect of any of our Promoter Group companies, to the Registrar of Companies for striking off their names.

Litigation

For details see the section titled "Outstanding Litigation and Material developments" on page 136 of this Draft Red Herring Prospectus.

Related Party Transactions

For details of the related party transactions, see the section titled "Related Party Transactions" on page 92 of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

Our Company has various transactions with related parties, including our Directors, Promoters and members of our Promoter Group

For details on our Company's related party transactions see the section titled "Financial Statements" on page 94 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. Our Board may also from time to time pay interim dividend. Our Company has not declared any dividend in the last five Fiscals. However, this is not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future.

SECTION - V

FINANCIAL STATEMENTS

AUDITOR'S REPORT

To
The Board of Directors
PNC Infratech Ltd
D-51, Kamla Nagar
Agra (Uttar Pradesh)-282004

Dear Sirs,

We have examined the financial information of PNC Infratech Ltd. ('PNC' or 'Company') annexed to this report which have been prepared in accordance with the requirements of:

(a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

(b) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000('the Guidelines") issued by the Securities and Exchange Board of India ('SEBI') on January 19,2000 in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992; and

Financial Information as per audited financial statements of "PNC"

1. We have examined the attached restated unconsolidated summary statement of assets and liabilities of the Company for the half year ended 30th September, 2007 and 2006 and financial years as at March 31,2007, March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 the attached restated summary statement of profit and loss and cash flows for each of the periods ended on those dates ('Summary Statements') (see Annexure I,II and III) as prepared by the Company and approved by the Board of Directors. These profits have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report. We have audited the financial statements of the Company for the half year ended 30th September, 2007 and 2006 and each of the years ended March 31,2007, March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003.

2. The summary of significant accounting policies adopted by the Company is enclosed as Annexure V to this report.

3. Based on our examination of these summary statements, we confirm that:

The impact of changes in accounting policies / material adjustments adopted by the Company as at the half year ended 30th September, 2007 and 2006 and for the years ended March 31,2007, March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 have been adjusted with retrospective effect in the attached summary statements;

- The Prior period items have been adjusted in the summary statements in the years to which they relate;
- There are no extraordinary items, which need to be disclosed separately in the summary statements; and
- There are no qualifications in the auditors' reports, which require any adjustments to the summary statements, as they are more appropriately described in the notes appearing in Annexure-IV to this report.

Other financial information

4. We have examined the following unconsolidated financial information of the Company to be included in the Offer Document as approved by the Board of Directors and annexed to this report:

I. Statement of Accounting and other ratios as appearing in Annexure VI;

II. Capitalisation statement as at September 30, 2007 as appearing in Annexure VII;

III. Statement of tax shelters as appearing in Annexure VIII;

IV. Details of secured and unsecured loans as appearing in Annexure IX;

V. Details of Terms and Conditions of secured loans as at September 30,2007 as appearing in Annexure X;

VI. Statement of Related Party transactions as appearing in Annexure XI;

VII. Details of dividend paid as appearing in Annexure XII;

VIII. Receivables Ageing Analysis as appearing in Annexure XIII;

IX. Statement of Loans and advances as appearing in Annexure XIV;

X. Statement of Contingent Liabilities as appearing in Annexure XV;

XI. Statement of Other Income as appearing in Annexure XVI;

XII. Statement of Investment as appearing in Annexure XVII;

XIII. Statement of Current Liabilities and Provisions as appearing in Annexure XVIII;

5. We confirm that the 'financial information as per audited financial statements' and 'other financial information' of 'PNC' have been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

7. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not be used, referred to or distributed for any other purpose without our prior written consent.

For **PURUSHOTTAM AGRAWAL & CO.**
Chartered Accountants

(SANJAY AGARWAL)
Partner
Membership No. 72696

Place: Agra
Date: January 12, 2008

ANNEXURE - 1

SUMMARY STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. in millions)

Particulars	As At 30.09.2007	As At 30.09.2006	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
FIXED ASSETS							
Gross Block	835.01	782.44	806.59	673.99	295.19	186.66	131.28
Less: Depreciation	258.02	174.94	226.01	127.22	73.92	52.37	34.81
Net Block	**576.99**	**607.50**	**580.58**	**546.77**	**221.27**	**134.29**	**96.47**
Current Assets, Loans and Advances							
Inventories	253.34	469.99	500.36	246.22	42.27	21.04	20.22
Sundry debtors	499.09	517.14	496.73	505.48	87.44	78.35	22.45
Cash and bank balances	30.66	58.23	35.51	106.83	138.96	30.77	37.50
Loans and Advances	376.50	405.26	445.77	367.86	243.40	176.08	123.40
TOTAL (A)	**1,736.58**	**2,058.12**	**2,058.95**	**1,773.16**	**733.34**	**440.53**	**300.04**
LIABILITIES AND PROVISIONS							
Secured Loans	395.69	602.16	635.72	465.89	151.25	65.16	35.16
Unsecured loans	0.00	0.00	0.00	0.00	7.87	0.00	12.25
Current Liabilities	500.82	829.75	656.89	729.47	162.17	137.86	136.05
Provisions							
Provisions for Tax	49.41	20.38	67.46	11.96	11.78	14.56	5.83
Deferred Tax liability	23.93	24.45	24.81	23.97	19.93	13.85	11.29
TOTAL (B)	**969.85**	**1,476.74**	**1,384.88**	**1,231.29**	**353.00**	**231.43**	**200.58**
NET WORTH (A-B)	**766.73**	**581.38**	**674.07**	**541.87**	**380.34**	**209.10**	**99.46**
Net worth represented by							
Share Capital	108.07	108.07	108.07	108.07	100.96	85.34	69.68
Reserve & Surplus	658.76	473.47	566.12	433.96	279.57	123.99	30.05
Less : Misc. Expenditure (to the extent not written off or adjusted)	(0.10)	(0.16)	(0.12)	(0.16)	(0.19)	(0.23)	(0.27)
Net Worth	**766.73**	**581.38**	**674.07**	**541.87**	**380.34**	**209.10**	**99.46**

ANNEXURE – II

SUMMARY STATEMENT OF PROFITS & LOSSES AS RESTATED

(Rs. in millions)

Particulars	As At 30.09.2007	As At 30.09.2006	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
INCOME							
Contract Revenue	1,544.09	948.63	2,438.17	1,424.51	1,120.87	1,108.60	715.30
Sale of Crushed Stone	69.21	57.00	112.20	82.49	0.00	0.00	0.00
Other income	10.14	6.89	13.83	14.41	9.41	1.80	5.19
Total Income (A)	**1,623.44**	**1,012.52**	**2,564.20**	**1,521.41**	**1,130.28**	**1,110.40**	**720.49**
EXPENDITURE							
Operating expenses	1,264.06	777.32	1984.13	1173.42	937.90	960.03	640.47
Employee Cost	64.89	42.87	95.50	61.68	35.20	29.90	12.85
Sales and Administrative Expenses	73.65	54.39	123.47	98.96	62.77	49.19	22.54
Financial Charges	36.12	29.86	61.81	27.61	8.75	5.26	8.13
Depreciation	43.52	47.72	98.79	53.30	21.55	17.56	13.20
Preliminary exp.w/o	0.02	0.00	0.04	0.04	0.04	0.04	0.04
Total Expenditure (B)	**1,482.26**	**952.16**	**2,363.74**	**1,415.01**	**1,066.21**	**1,061.98**	**697.23**
PROFIT BEFORE TAX. (A-B)	141.18	60.36	200.46	106.40	64.07	48.42	23.26
Provision for taxes							
Current tax	49.09	20.11	66.92	11.34	11.79	14.56	5.83
Deferred tax	(0.87)	0.47	0.83	18.18	2.96	0.11	2.72
FBT	0.32	0.27	0.54	0.61	0.00	0.00	0.00
PROFIT AFTER TAX	**92.64**	**39.51**	**132.17**	**76.27**	**49.32**	**33.75**	**14.71**
ADJUSTMENTS							
Current tax impact of Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax impact of Adjustments	0.00	0.00	0.00	14.14	(3.12)	(2.45)	(0.25)
Total of adjustments after tax impact	**0.00**	**0.00**	**0.00**	**14.14**	**(3.12)**	**(2.45)**	**(0.25)**
NET PROFIT FOR THE YEAR AS RESTATED	**92.64**	**39.51**	**132.17**	**90.41**	**46.20**	**31.30**	**14.46**
Profit and loss account	189.63	107.46	107.46	47.05	25.85	7.05	2.59
(at the beginning of the year)							
Balance available for appropriation	**282.27**	**146.97**	**239.63**	**137.46**	**72.05**	**38.35**	**17.05**
APPROPRIATION							
Transfer to General Reserve	00.00	00.00	50.00	30.00	25.00	12.50	10.00

Particulars	As At 30.09.2007	As At 30.09.2006	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
TOTAL	**00.00**	**00.00**	**50.00**	**30.00**	**25.00**	**12.50**	**10.00**
Balance carried forward	**282.27**	**146.97**	**189.63**	**107.46**	**47.05**	**25.85**	**7.05**

ANNEXURE –III

STATEMENT OF CASH FLOW AS RESTATED

(Rs. in millions)

Particulars	For the Year Ended 30.09.2007	For the Year Ended 30.09.2006	For the Year Ended 31.03.2007	For the Year Ended 31.03.2006	For the Year Ended 31.03.2005	For the Year Ended 31.03.2004	For the Year Ended 31.03.2003
Cash flow from Operating activity							
Net profit after tax	92.64	39.51	132.17	90.41	46.20	31.30	14.46
Adjustments							
Depreciation	43.52	47.72	98.79	53.30	21.55	17.56	13.20
Interest expenses	36.12	29.86	61.81	27.61	8.75	5.26	8.13
Miscellaneous income	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Expenditure written off	0.02	0.00	0.04	0.03	0.04	0.04	0.04
Provision for tax	49.41	20.38	67.46	11.95	11.79	14.56	5.83
Diminution in value of investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax provided	-0.87	0.47	0.83	4.04	6.08	2.56	2.97
Operating profit before working Capital changes	**220.84**	**137.94**	**361.10**	**187.34**	**94.41**	**71.28**	**44.63**
Adjustments for Decrease / (Increase) Trade other receivable	66.91	(49.06)	(69.16)	(542.50)	(76.41)	(108.58)	(43.94)
Decrease / (Increase) Inventories	247.02	(223.77)	(254.14)	(203.95)	(21.23)	(0.82)	3.78
Increase / (Decrease) Trade Payable	(174.12)	108.71	(17.08)	567.48	21.53	10.54	(6.05)
Cash (used in) / generated from operation	**139.81**	**(164.12)**	**(340.38)**	**(178.97)**	**(76.11)**	**(98.86)**	**(46.21)**
Direct tax paid (net of refunds)	(49.41)	(20.38)	(67.46)	(11.96)	(11.79)	(14.56)	(5.83)
Net cash (used in) / from operating activity (a)	**311.24**	**(46.56)**	**(46.74)**	**(3.59)**	**6.51**	**(42.14)**	**(7.41)**
Cash flow from Investing activities							
Sale / (Purchase) of Fixed Assed	(39.94)	(108.45)	(132.60)	(378.80)	(108.53)	(55.38)	(25.51)
Net cash used in investing activities (b)	**(39.94)**	**(108.45)**	**(132.60)**	**(378.80)**	**(108.53)**	**(55.38)**	**(25.51)**
Cash flow from financing activities							
Proceeds from issue of shares	0.00	0.00	0.00	71.10	125.00	78.30	0.00
Proceeds / (Repayment)-Secured Loan	(240.03)	136.27	169.83	314.64	86.09	30.00	25.00
Proceeds / (Repayment)-Unsecured Loan	0.00	0.00	0.00	(7.87)	7.87	(12.25)	2.30

Particulars	For the Year Ended 30.09.2007	For the Year Ended 30.09.2006	For the Year Ended 31.03.2007	For the Year Ended 31.03.2006	For the Year Ended 31.03.2005	For the Year Ended 31.03.2004	For the Year Ended 31.03.2003
Interest Paid	(36.12)	(29.86)	(61.81)	(27.61)	(8.75)	(5.26)	(8.13)
Net cash from financing activity (c)	**(276.15)**	**106.41**	**108.02**	**350.26**	**210.21**	**90.79**	**19.17**
Net increase / (decrease) in cash and cash equivalent (a+b+c)	**(4.85)**	**(48.60)**	**(71.32)**	**(32.13)**	**108.19**	**(6.73)**	**(13.75)**
Cash and cash equivalent (Opening)	35.51	106.83	106.83	138.96	30.77	37.50	51.25
Cash and cash equivalent (closing)	30.66	58.23	35.51	106.83	138.96	30.77	37.50

ANNEXURE IV

NOTES TO THE SUMMARY OF ASSETS & LIABILITIES AND PROFIT AND LOSS AS RESTATED

1. All amounts in the financial statements are presented in rupees in millions except per share data and otherwise stated. Figures of previous year have been regrouped/rearranged wherever considered necessary to confirm to presentation.
2. AS-22 became mandatory from F.Y. 2002-03 (Transitional Year) and provision for deferred tax liability was provided in the said financial year 2002-03 for the period starting from the commencement of the Company to the current year accordingly deferred tax provision has been restated.
3. There is no change in the value of WIP pursuant to the introduction of AS-7 (Revised) from the financial year March 31, 2004, as compared to the earlier AS viz accounting for construction contracts (Originally issued in December, 1982).
   Consequently, the need for any restatement did not arise on this account
4. The Company has claimed the benefit of section 80IA of the Income Tax Act 1961 during the financial years 2004-05 & 2005-06 and has made provision for income tax accordingly. The management of the company is of the opinion that the company is entitled for deduction under section 80IA of the Income Tax Act 1961. By virtue of this the company has not provided income tax amounting to Rs 5.87 & 18.23 millions for financial year 2004-05 & 2005-06 respectively.
5. Notes on non adjustments:
   Gratuity: The company is not providing gratuity liability on an actuarial basis in accordance with Accounting Standard 15 "Accounting for Retirement Benefits in the Financial Statements of Employers". The same has been provided on a cash basis adopted in the previous years. No adjustments were made for the new accounting policy for the period ended on September 30, 2007 and years ended 2003, 2004, 2005, 2006 and 2007.
   Leave Encashment: The company is not providing Leave Encashment liability on an actuarial basis in accordance with Accounting Standard 15 issued by The Institute of Chartered Accountants of India. The same has been provided on a cash basis adopted in the previous years. No adjustments were made for the new accounting policy for the period ended on September 30, 2007 and years ended 2003, 2004, 2005, 2006 and 2007.
6. Impact of regrouping/adjustments

Particulars	The Year Ended March 31,					Half year ended
	2003	2004	2005	2006	2007	Sept. 30,2007
Profit after tax as per audited statements of accounts	14.71	33.75	49.32	76.26	132.17	92.64
Less: Adjustment on account of						
1) Deferred Tax impact	0.25	2.45	3.12	(14.15)	0.00	0.00
Net adjusted profit after tax	14.46	31.30	46.20	90.41	132.17	92.64

7. Managerial Remuneration:

Rs. in millions

	As at **30.09.2007**	As at **30.09.2006**	As at **2006-07**	As at **2005-06**	As at **2004-05**	As at **2003-04**	As at **2002-03**
Salary & Allowance	1.74	1.08	2.81	2.16	1.80	0.84	0.84

8. List of Related Party

S.No	Related Party	Relationship
	Companies	
1	NCJ Infrastructure Pvt. Ltd.	Company in which Director are interested
2	PNC Mining Pvt. Ltd.	--do--
3	PNC Project Pvt. Ltd.	--do--
4	Shri Mahaveer Infrastructure Pvt. Ltd.	--do--
5	PNC Cold Storage Pvt. Ltd.	--do--
	Individuals & Associates	

S.No	Related Party	Relationship
1	Pradeep Kumar Jain	Managing Director
2	Chakresh Kumar Jain	Whole Time Director
3	Yogesh Kumar Jain	Whole Time Director
4	Naveen Kumar Jain	Director
5	Pradeep Kumar Jain (HUF)	M.D's Concern
6	Meena Jain	MD's Wife
7	Madhvi Jain	Director's Wife
8	Ashita Jain	Director's Wife
9	Renu Jain	Director's Wife
10	Chakresh Kumar Jain (HUF)	Director's Concern
11	Ideal Road Builders	MD's Sons' Concern
12	Anil Kumar Rao	Director (Tech.)
13	Adinath Oil Carrier	Director's Concern
14	Naveen Kumar Jain (HUF)	Director's Concern
15	Premwati Jain	MD's Mother
16	Yogesh Kumar Jain (HUF)	Director's Concern
17	Sidhnath Oil Carriers	Director's Concern
18	Heena Jain	M.D.'s daughter
19	Bulk Bitumen Transport Co.	Director's Concern
20	Abhinandan Jain	M.D.'s Son

RELATED PARTY DISCLOSURES

Rs. in millions

S.No	Related Party *Companies*	Relation ship	Description	Half year ended 30.09.2007	Half year ended 30.09.2006	FY06-07	FY05-06	FY04-05	FY03-04	FY02-03
1	NCJ Infrastructure Pvt. Ltd.	Company in which Director are interested	Rent Payment	0.21	0.21	0.42	0.42	0.00	0.00	0.00
2	PNC Mining Pvt. Ltd.	--do--	Contract Transaction	0.00	0.00	1.58	0.00	0.00	0.00	0.00
3	PNC Project Pvt. Ltd.	--do--	Share Capital Transaction	0.00	0.00	0.00	51.10	0.00	0.00	0.00
			Recd against Outstanding	0.00	0.00	0.00	0.00	0.00	0.00	1.18
2	Shri Mahaveer Infrastructure Pvt. Ltd.	--do--	Share Capital Transaction	0.00	0.00	0.00	20.00	0.00	0.00	0.00
5	PNC Cold Storage Pvt. Ltd.	--do--	Repayment of Unsecured Loan	0.00	0.00	0.00	2.05	0.00	0.00	2.36
			Interest Payment	0.00	0.00	0.00	0.02	0.07	0.16	0.00
			Loan Taken	0.00	0.00	0.00	0.00	2.00	0.00	0.00
	Individuals & Associates									
1	Pradeep Kumar Jain	Managing Director	Rent Payment	0.27	0.27	0.54	0.45	0.00	0.00	0.00
			Salary Payment	0.60	0.30	0.90	0.60	0.60	0.36	0.36
2	Chakresh Kumar Jain	Whole Time Director	Rent Payment	0.30	0.30	0.60	0.50	0.07	0.07	0.07
			Hire Charges	0.09	0.09	0.18	0.21	0.00	0.22	0.04
			Freight Bill	0.00	0.00	0.00	0.00	0.77	0.00	0.00
			Salary	0.45	0.30	0.75	0.60	0.60	0.24	0.24
3	Yogesh Kumar Jain	Whole Time Director	Rent Payment	0.30	0.30	0.60	0.50	0.00	0.00	0.00
			Salary	0.45	0.30	0.75	0.60	0.60	0.24	0.24
			Interest Payment	0.00	0.00	0.00	0.00	0.00	0.04	0.00
			Repayment of Loan	0.00	0.00	0.00	0.00	0.00	0.33	0.00
			Loan Taken	0.00	0.00	0.00	0.00	0.00	0.00	0.30
4	Naveen Kumar Jain	Director	Rent Payment	0.27	0.27	0.54	0.45	0.00	0.00	0.00
			Interest Payment	0.00	0.00	0.00	0.00	0.00	0.01	0.00
5	Pradeep Kumar Jain (HUF)	M.D's Concern	Rent Payment	0.18	0.18	0.36	0.36	0.36	0.00	0.01
			Interest Payment	0.00	0.00	0.00	0.00	0.00	0.27	0.24
			Repayment of Loan	0.00	0.00	0.00	0.00	0.00	2.53	0.00
			Loan Taken	0.00	0.00	0.00	0.00	0.00	0.00	0.14
6	Meena Jain	MD's Wife	Rent Payment	0.18	0.18	0.36	0.36	0.36	0.11	0.02
			Interest Payment	0.00	0.00	0.00	0.00	0.00	0.13	0.11
			Repayment of Loan	0.00	0.00	0.00	0.00	0.00	1.22	0.00
			Loan Taken	0.00	0.00	0.00	0.00	0.00	0.00	0.09
7	Madhvi Jain	Director's Wife	Rent Payment	0.06	0.06	0.12	0.12	0.12	0.00	0.00
			Interest payment	0.00	0.00	0.00	0.00	0.00	0.13	0.11
			Repayment of	0.00	0.00	0.00	0.00	0.00	1.37	0.00

S.No	Related Party *Companies*	Relation ship	Description	Half year ended 30.09.2007	Half year ended 30.09.2006	FY06-07	FY05-06	FY04-05	FY03-04	FY02-03
			Loan							
			Loan Taken	0.00	0.00	0.00	0.00	0.00	0.00	0.38
8	Ashita Jain	Director's Wife	Rent Payment	0.06	0.06	0.12	0.12	0.12	0.00	0.00
			Interest payment	0.00	0.00	0.00	0.00	0.00	0.10	0.11
			Repayment of Loan	0.00	0.00	0.00	0.00	0.00	1.17	0.00
			Loan Taken	0.00	0.00	0.00	0.00	0.00	0.00	0.15
9	Renu Jain	Director's Wife	Rent Payment	0.06	0.06	0.12	0.12	0.06	0.00	0.00
			Repayment of Loan	0.00	0.00	0.00	1.56	0.00	2.00	0.00
			Interest Payment	0.00	0.00	0.00	0.08	0.06	0.24	0.17
			Loan Taken	0.00	0.00	0.00	0.00	1.50	0.00	0.46
10	Chakresh Kumar Jain (HUF)	Director's Concern	Hire Charges	0.30	0.30	0.60	0.42	0.00	0.00	0.00
			Freight Bill	0.00	0.00	0.00	0.00	1.03	0.62	0.00
			Repayment of Loan	0.00	0.00	0.00	0.00	0.00	0.37	0.00
			Interest payment	0.00	0.00	0.00	0.00	0.00	0.04	0.04
11	Ideal Road Builders	MD's Son's Concern	Contract Transaction	7.44	9.87	28.56	30.45	40.39	12.36	0.00
12	Anil Kumar Rao	Director (T)	Salary	0.24	0.18	0.41	0.36	0.00	0.00	0.00
13	Adinath Oil Carrier	Director's Concern	Freight Bill	0.00	0.00	0.00	0.22	1.03	0.00	0.00
14	Naveen Kumar Jain (HUF)	Director's Concern	Repayment of Loan	0.00	0.00	0.00	1.66	0.00	1.63	0.00
			Interest Payment	0.00	0.00	0.00	0.08	0.07	0.17	0.12
			Loan Taken	0.00	0.00	0.00	0.00	1.60	0.00	0.46
15	Premwati Jain	MD's Mother	Repayment of Loan	0.00	0.00	0.00	1.30	0.00	1.24	0.00
			Interest Payment	0.00	0.00	0.00	0.06	0.05	0.13	0.12
			Loan Taken	0.00	0.00	0.00	0.00	1.25	0.00	0.02
16	Yogesh Kumar Jain (HUF)	Director's Concern	Repayment of Loan	0.00	0.00	0.00	1.30	0.00	1.22	0.00
			Interest Payment	0.00	0.00	0.00	0.06	0.05	0.13	0.12
			Loan Taken	0.00	0.00	0.00	0.00	1.25	0.00	0.00
17	Sidhnath Oil Carriers	Director's Concern	Freight Bill	0.00	0.00	0.00	0.00	1.18	0.41	0.46
18	Heena Jain	M.D.' Doughter	Repayment of Loan	0.00	0.00	0.00	0.00	0.00	0.78	0.00
			Interest Payment	0.00	0.00	0.00	0.00	0.00	0.08	0.08
19	Bulk Bitumen Transport Co.	Director's Concern	Freight Bill	0.00	0.00	0.00	0.00	0.00	0.18	0.53
20	Abhinandan Jain	M.D.'s Son	Interest Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.02
			Repayment of Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.14

ANNEXURE V

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the generally accepted accounting principles (GAAP) in India, including the mandatory standards on accounting issued by the Institute of Chartered Accountants of India and referred to in section 211(3C) of the Companies Act, 1956.

2. USE OF ESTIMATES

The Preparation of financial statement required the management of the Company to make estimates and assumption that effect the reported balances of assets and liabilities and disclosures relation to contingent liabilities as at the date of financial statements and reported amounts of income & expenses during the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future projects.

3. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. Cost of fixed assets comprises purchase price, duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

4. DEPRECIATION

Depreciation on fixed assets has been provided as per straight line method (except for Plant & Machinery which is depreciated as per written down value basis).

Depreciation has been provided in the manner and at the rates specified in Schedule XIV to the Companies Act 1956 and on prorata basis. Fixed assets are stated at cost less depreciation.

5. INVENTORIES

Inventories are valued at lower of cost or net realizable value. Raw material cost is determined on first in first out basis. Cost in case of work in progress and finished goods is determined on the basis of cost includes cost of material, labour, direct expenses etc.

6. REVENUE RECOGNITION

Construction Contracts

Revenue from fixed price construction contracts is recognized by reference to the percentage of completion of the contract activity. The stage of completion is determined by survey of work performed and or on completion of a physical proportion of the contract work, as the case may be.

Joint Venture Projects

Assets, liabilities and expenditure arising out of contracts executed wholly by the company pursuant to a Joint Venture contract are recognized under respective heads in the financial statements. Revenue from the contracts is accounted for net of joint venture's share under turnover in these financial statement.

Sale of Crushed Aggregate

Sales exclude applicable sales tax and net of discount.

7. TAXATION

Current Tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with Accounting Standard-22 Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing difference between the book and tax profits for the year is accounted using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Accordingly deferred tax liability as appropriate has been created.

Provision for Fringe Benefit Tax is determined in accordance with chapter XII-H to Income Tax Act 1961 read with the relevant rules, circulars & notifications issued from time to time.

8. RETIREMENT BENEFITS

Provident Fund is a defined contribution plan for which contribution accruing during the year as per the scheme is expensed.

The Company has been accounting Gratuity and Leave encashment expenses on cash basis.

ANNEXURE – VI

STATEMENT OF ACCOUNTING AND OTHER RATIO

(Rs. in millions)

Particulars	For the Year Ended 30.09.2007	For the Year Ended 30.09.2006	For the Year Ended 31.03.2007	For the Year Ended 31.03.2006	For the Year Ended 31.03.2005	For the Year Ended 31.03.2004	For the Year Ended 31.03.2003
Earnings per Share (Rs)							
-Basic and diluted	4.28	1.83	6.11	4.32	2.39	1.76	0.81
No. of Shares Outstanding in Millions	10.81	10.81	10.81	10.81	10.10	8.53	6.97
Weighted No. of shares outstanding during the year							
-For Basic Earnings per share*	21.62	21.62	21.62	20.91	19.37	17.78	17.78
Net Asset Value (Rs. In Million)	766.73	581.38	674.07	541.87	380.34	209.10	99.46
Net Asset Value per share (In Rs.)	70.93	53.78	62.36	50.13	37.65	24.51	14.27
Return on Net worth (%)	12.08%	6.80%	19.61%	16.68%	12.15%	14.97%	14.53%

*Note: On 26[th] Nov 2007 the Company has allotted Bonus share in ratio of 1:1. The calculation of basic earning per share has been adjusted for all periods presenting bonus shares issued in accordance with the requirements of AS-20"Earnings Per Share" issued by the ICAI.

1. The Ratios have been computed as below:

Earnings per share	.=	Adjusted profit after tax available to Equity Shareholders Weighted average no. of equity shares outstanding during the year
Net Worth	.=	Share Capital + Reserves & Surplus -Misc. & Deferred Revenue Expenditure to the extent not written off
Return on Net worth	.=	Adjusted profit after tax Net worth
Net Asset Value	.=	Net Worth - Preference Capital
Net asset Value per share	.=	Net Asset Value No. of equity shares outstanding as on Year

ANNEXURE - VII

CAPITALISATION STATEMENT AS OF SEPTEMBER 30, 2007

(Rs. in millions)

Particulars	Pre Issue 30.09.2007	Post Issue (Note 2)
Short Term Debt	326.84	
Long Term Debt (Note) (A)	68.85	
Total	**395.69**	
Shareholders' Funds		
Share Capital	108.07	
Reserves and surplus	658.76	
Less:- Miscellaneous Expenditure (To the extent not written off)	(0.10)	
Total Share holders' funds (B)	**766.73**	
Long term debt/equity (A) / (B)	**0.09**	

Note :

1. Long term debt comprises of Term loans from Bank which are repayable for a period exceeding 12 months

2. Share capital and reserves & surplus post issue can be calculated only on the conclusing of the book building process.

3. For Contingent Liability Please refer Annexure X

ANNEXURE – VIII

STATEMENT OF TAX SHELTER

(Rs. in million)

Particulars	Half year ended Sept. 07	Fiscal 2007	Half year ended Sept. 06	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003
A Net Profit before Current Taxes A	**141.18**	**200.46**	**60.36**	**106.40**	**64.07**	**48.42**	**23.26**
B Income Tax Rate							
- On Normal Income B 1	33.99%	33.66%	33.66%	33.66%	36.59%	35.88%	36.75%
C Tax at Normal rate C = A*B1	**47.99**	**67.47**	**20.32**	**35.81**	**23.44**	**17.37**	**8.55**
Adjustments:							
D Permanent Differences							
Deduction U/s 80IA	0.00	0.00	0.00	(54.16)	(16.05)	0.00	0.00
Donation Disallowed	0.00	0.07	0.00	0.11	0.05	0.06	0.02
Loss on sale of assets/shares	0.00	0.70	0.70	0.05	0.00	0.00	0.00
Total D	**0.00**	**0.77**	**0.70**	**(54.00)**	**(16.00)**	**0.06**	**0.02**
E Timing Differences							
Difference between Tax Depreciation and Book Depreciation	3.28	(2.48)	(1.32)	(16.74)	(15.87)	(7.89)	(7.41)
Total E	**3.28**	**(2.48)**	**(1.32)**	**(16.74)**	**(15.87)**	**(7.89)**	**(7.41)**
F Total Adjustments F = D + E	3.28	(1.71)	(0.62)	(70.74)	(31.87)	(7.83)	(7.39)
G Net Tax impact G = B1* F	1.10	(0.57)	(0.21)	(23.81)	(11.66)	(2.81)	(2.72)
H Tax Under normal provisions of the Income Tax Act H = C+ G	49.09	66.90	20.11	12.00	11.78	14.56	5.83
I Tax as per Income Tax Return Filed / relevant Correspondence							
- On Normal Income		66.90		12.00	11.78	14.56	5.83
J Provision for tax Made in books	49.09	66.92	20.11	11.34	11.79	14.56	5.83

Note: -

1. For the years ended March 31,2003,2004,2005,2006,2007 the above statement has been prepared based on the Income-tax Returns filed.

2. Further, the Management has represented to us that the re-statements made to the statutory financial statements (order to confirm with SEBI guidelines) would not have a tax impact.

3. The Company has availed the tax shelters U/s 80IA (4) as set out in Part C of Chapter VI-A of the income tax Act, 1961 during financial year ended on March 31, 2005 and March 31, 2006.

ANNEXURE - IX

DETAILS OF SECURED & UNSECURED LOANS

(Rs. in millions)

Particulars	As At 30.09.2007	As At 30.09.2006	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
SECURED LOANS							
Terms Loans							
.-From NBFCs	197.04	295.97	248.54	287.45	80.40	28.59	10.61
Total	**197.04**	**295.97**	**248.54**	**287.45**	**80.40**	**28.59**	**10.61**
Other Secured Loans							
.- Working Capital Loans from Banks	198.65	306.19	387.18	178.44	70.85	36.57	24.55
.- HP Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**198.65**	**306.19**	**387.18**	**178.44**	**70.85**	**36.57**	**24.55**
UNSECURED LOANS (Note-2)	0.00	0.00	0.00	0.00	7.87	0.00	12.25
Total	**0.00**	**0.00**	**0.00**	**0.00**	**7.87**	**0.00**	**12.25**
GRAND TOTAL	**395.69**	**602.16**	**635.72**	**465.89**	**159.12**	**65.16**	**47.41**

Note 1:

For Terms & Conditions please refer Annexure X

Note 2:

Details of items related to promoter / promoter group / other related party – All unsecured loans are from promoters, their relatives and companies in which directors are interested.

ANNEXURE - X

DETAILS OF TERMS AND CONDITIONS OF SECURED LOANS OUTSTANDING

AS ON September 30, 2007

Sr. No.	Nature of Secured Loan	Name of Financial Institution	Amount *(Rs. in millions)*	Security	Interest	Terms of Repayment
1	Term Loan	ICICI Bank	45.39	Secured by specific assets	---	Monthly EMI Payable
		ABN Amro Bank	59.74	DO	---	DO
		HDFC Bank	29.57	DO	---	DO
		Srei Infrastructure finance Ltd.	8.61	DO	---	DO
		Citicorp Finance India Ltd.	53.73	DO	---	DO
2	Working Capital Finance	Bank of Baroda	154.43	Secured by Hypothecation of stocks, Raw Materials, Receivables & collateral security and personal guarantee of Directors	11.50%	Repayable on Demand
		Canara Bank	24.39	Do	11.50%	
		Vijya Bank	19.74	Do	11.25%	
		Corporation bank	0.09	Do	10%	
			395.69			

ANNEXURE – XI

RELATED PARTY DISCLOSURES

(Rs. in millions)

S.No	Related Party *Companies*	Relationship	Description	Half year ended 30.09.2007	Half year ended 30.09.2006	FY06-07	FY05-06	FY04-05	FY03-04	FY02-03
1	NCJ Infrastructure Pvt. Ltd.	Company in which Director are interested	Rent Payment	0.21	0.21	0.42	0.42	0.00	0.00	0.00
2	PNC Mining Pvt. Ltd.	--do--	Contract Transaction	0.00	0.00	1.58	0.00	0.00	0.00	0.00
3	PNC Project Pvt. Ltd.	--do--	Share Capital Transaction	0.00	0.00	0.00	51.10	0.00	0.00	0.00
			Recd against Outstanding	0.00	0.00	0.00	0.00	0.00	0.00	1.18
2	Shri Mahaveer Infrastructure Pvt. Ltd.	--do--	Share Capital Transaction	0.00	0.00	0.00	20.00	0.00	0.00	0.00
5	PNC Cold Storage Pvt. Ltd.	--do--	Repayment of Unsecured Loan	0.00	0.00	0.00	2.05	0.00	0.00	2.36
			Interest Payment	0.00	0.00	0.00	0.02	0.07	0.16	0.00
			Loan Taken	0.00	0.00	0.00	0.00	2.00	0.00	0.00
	Individuals & Associates									
1	Pradeep Kumar Jain	Managing Director	Rent Payment	0.27	0.27	0.54	0.45	0.00	0.00	0.00
			Salary Payment	0.60	0.30	0.90	0.60	0.60	0.36	0.36
2	Chakresh Kumar Jain	Whole Time Director	Rent Payment	0.30	0.30	0.60	0.50	0.07	0.07	0.07
			Hire Charges	0.09	0.09	0.18	0.21	0.00	0.22	0.04
			Freight Bill	0.00	0.00	0.00	0.00	0.77	0.00	0.00
			Salary	0.45	0.30	0.75	0.60	0.60	0.24	0.24
3	Yogesh Kumar Jain	Whole Time Director	Rent Payment	0.30	0.30	0.60	0.50	0.00	0.00	0.00
			Salary	0.45	0.30	0.75	0.60	0.60	0.24	0.24
			Interest Payment	0.00	0.00	0.00	0.00	0.00	0.04	0.00
			Repayment of Loan	0.00	0.00	0.00	0.00	0.00	0.33	0.00
			Loan Taken	0.00	0.00	0.00	0.00	0.00	0.00	0.30
4	Naveen Kumar Jain	Director	Rent Payment	0.27	0.27	0.54	0.45	0.00	0.00	0.00
			Interest Payment	0.00	0.00	0.00	0.00	0.00	0.01	0.00
5	Pradeep Kumar Jain (HUF)	M.D's Concern	Rent Payment	0.18	0.18	0.36	0.36	0.36	0.00	0.01
			Interest Payment	0.00	0.00	0.00	0.00	0.00	0.27	0.24
			Repayment of Loan	0.00	0.00	0.00	0.00	0.00	2.53	0.00
			Loan Taken	0.00	0.00	0.00	0.00	0.00	0.00	0.14
6	Meena Jain	MD's Wife	Rent Payment	0.18	0.18	0.36	0.36	0.36	0.11	0.02
			Interest Payment	0.00	0.00	0.00	0.00	0.00	0.13	0.11
			Repayment of Loan	0.00	0.00	0.00	0.00	0.00	1.22	0.00
			Loan Taken	0.00	0.00	0.00	0.00	0.00	0.00	0.09
7	Madhvi Jain	Director's Wife	Rent Payment	0.06	0.06	0.12	0.12	0.12	0.00	0.00
			Interest payment	0.00	0.00	0.00	0.00	0.00	0.13	0.11
			Repayment of Loan	0.00	0.00	0.00	0.00	0.00	1.37	0.00
			Loan Taken	0.00	0.00	0.00	0.00	0.00	0.00	0.38
8	Ashita Jain	Director's Wife	Rent Payment	0.06	0.06	0.12	0.12	0.12	0.00	0.00
			Interest payment	0.00	0.00	0.00	0.00	0.00	0.10	0.11
			Repayment of Loan	0.00	0.00	0.00	0.00	0.00	1.17	0.00
			Loan Taken	0.00	0.00	0.00	0.00	0.00	0.00	0.15

S.No	Related Party	Relationship	Description	Half year ended 30.09.2007	Half year ended 30.09.2006	FY06-07	FY05-06	FY04-05	FY03-04	FY02-03
	Companies									
9	Renu Jain	Director's Wife	Rent Payment	0.06	0.06	0.12	0.12	0.06	0.00	0.00
			Repayment of Loan	0.00	0.00	0.00	1.56	0.00	2.00	0.00
			Interest Payment	0.00	0.00	0.00	0.08	0.06	0.24	0.17
			Loan Taken	0.00	0.00	0.00	0.00	1.50	0.00	0.46
10	Chakresh Kumar Jain (HUF)	Director's Concern	Hire Charges	0.30	0.30	0.60	0.42	0.00	0.00	0.00
			Freight Bill	0.00	0.00	0.00	0.00	1.03	0.62	0.00
			Repayment of Loan	0.00	0.00	0.00	0.00	0.00	0.37	0.00
			Interest payment	0.00	0.00	0.00	0.00	0.00	0.04	0.04
11	Ideal Road Builders	MD's Son's Concern	Contract Transaction	7.44	9.87	28.56	30.45	40.39	12.36	0.00
12	Anil Kumar Rao	Director (T)	Salary	0.24	0.18	0.41	0.36	0.00	0.00	0.00
13	Adinath Oil Carrier	Director's Concern	Freight Bill	0.00	0.00	0.00	0.22	1.03	0.00	0.00
14	Naveen Kumar Jain (HUF)	Director's Concern	Repayment of Loan	0.00	0.00	0.00	1.66	0.00	1.63	0.00
			Interest Payment	0.00	0.00	0.00	0.08	0.07	0.17	0.12
			Loan Taken	0.00	0.00	0.00	0.00	1.60	0.00	0.46
15	Premwati Jain	MD's Mother	Repayment of Loan	0.00	0.00	0.00	1.30	0.00	1.24	0.00
			Interest Payment	0.00	0.00	0.00	0.06	0.05	0.13	0.12
			Loan Taken	0.00	0.00	0.00	0.00	1.25	0.00	0.02
16	Yogesh Kumar Jain (HUF)	Director's Concern	Repayment of Loan	0.00	0.00	0.00	1.30	0.00	1.22	0.00
			Interest Payment	0.00	0.00	0.00	0.06	0.05	0.13	0.12
			Loan Taken	0.00	0.00	0.00	0.00	1.25	0.00	0.00
17	Sidhnath Oil Carriers	Director's Concern	Freight Bill	0.00	0.00	0.00	0.00	1.18	0.41	0.46
18	Heena Jain	M.D.' Doughter	Repayment of Loan	0.00	0.00	0.00	0.00	0.00	0.78	0.00
			Interest Payment	0.00	0.00	0.00	0.00	0.00	0.08	0.08
19	Bulk Bitumen Transport Co.	Director's Concern	Freight Bill	0.00	0.00	0.00	0.00	0.00	0.18	0.53
20	Abhinandan Jain	M.D.'s Son	Interest Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.02
			Repayment of Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.14

ANNEXURE - XII

DETAILS OF DIVIDENDS PAID

Particulars	Half year Ending 30.09.2007	Half year Ending 30.09.2006	Year Ending 31.03.2007	Year Ending 31.03.2006	Year Ending 31.03.2005	Year Ending 31.03.2004	Year Ending 31.03.2003
Equity Share:	NIL						
.- Dividend (Rs Million)							
.- Dividend Per share in Rs.							
Preference Share :							
.- Dividend (Rs Million)							
Tax on Dividend (Rs Million)							
Note – 1							
Particulars	**Half year Ending 30.09.2007**	**Half year Ending 30.09.2006**	**year Ending 31.03.2007**	**year Ending 31.03.2006**	**year Ending 31.03.2005**	**year Ending 31.03.2004**	**year Ending 31.03.2003**
Dividend paid to Promoter / Promoter group Related party	NIL						
.- Equity							
.- Preference							

ANNEXURE - XIII

RECEIVABLES AGEING ANALYSIS

(Rs. in millions)

Particulars	As At 30.09.2007	As At 30.09.2006	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
Considered good							
Receivables outstanding for a Period Exceeding 6Months	31.98	31.95	33.09	32.83	0.00	0.00	0.00
Other Debts	467.11	485.19	463.64	472.65	87.44	78.35	22.45
	Note 1	**Note 2**					
Doubtful							
Total	**499.09**	**517.14**	**496.73**	**505.48**	**87.44**	**78.35**	**22.45**

Note-1: details of items related to promoters/promoters group/other related party- 1.23 Million.

Note-2: details of items related to promoters/promoters group/other related party- 13.84 Million.

ANNEXURE - XIV

STATEMENT OF LOANS & ADVANCES

(Rs. in millions)

Particulars	As At 30.09.2007	As At 30.09.2006	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
Advances to Sub-Contractors	19.33	21.82	32.34	27.54	3.96	9.37	7.56
Advances to Workmen	0.00	0.11	0.01	0.01	0.04	0.03	0.08
Advances-Others	10.58	7.82	2.53	12.14 (Note-2)	12.57 (Note-1)	0.34	0.58
Retention by Department	51.18	77.09	98.50	83.54	47.64	48.34	37.58
Prepaid Expenses-Others	1.56	0.00	5.20	4.86	3.65	0.00	0.00
Advances to Suppliers	19.14	33.79	17.46	31.96 (Note-3)	17.13	8.78	6.18
Other Advances to Employees	1.45	1.21	2.16	0.04	0.85	0.57	0.55
Earnest Money Deposit	157.92	163.71	142.68	134.69	115.89	70.18	55.99
Telephone Deposits	0.09	0.10	0.08	0.10	0.08	0.07	0.05
Tax Deducted At Source	75.70	51.70	110.03	36.27	23.44	18.80	8.86
Rent Deposit	0.29	0.54	0.39	0.80	0.43	0.00	0.00
Sales Tax Deposit	0.07	0.07	0.07	0.04	0.02	0.00	0.02
Electricity Deposit	0.33	0.30	0.30	0.30	0.00	0.00	0.00
Deposits with Labour Commissioner	0.17	0.14	0.15	0.11	0.07	0.02	0.00
Deposits-Others	32.52	41.79	31.25	30.49	12.06	17.26	2.00
Others Receivable	6.17	5.07	2.62	4.97	5.57	2.32	3.95
	376.50	**405.26**	**445.77**	**367.86**	**243.40**	**176.08**	**123.40**

Note-1: details of items related to promoters/promoters group/Other related party-Rs 3.87 millions

Note-2: details of items related to promoters/promoters group/Other related party-Rs 1.16 millions

Note-3: details of items related to promoters/promoters group/Other related party-Rs 0.02 millions

ANNEXURE - XV

STATEMENT OF CONTINGENT LIABILITIES

(Rs. in millions)

Particulars	As At 30.09.2007	As At 30.09.2006	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
Bank Guarantees	1663.61	1194.89	1309.47	1264.46	714.92	198.31	141.86
Income Tax- Disputed demand	43.26	12.90	43.26	3.26	0.00	0.00	0.00
Disputed demand of Central Excise Department for service tax	16.73	0.00	0.00	0.00	0.00	0.00	0.00
Total	**1723.60**	**1207.79**	**1352.73**	**1267.72**	**714.92**	**198.31**	**141.86**

ANNEXURE - XVI

STATEMENT OF OTHER INCOME

(Rs. in millions)

Particulars	Year Ending 30.09.2007	Year Ending 30.09.2006	Year Ending 31.03.2007	Year Ending 31.03.2006	Year Ending 31.03.2005	Year Ending 31.03.2004	Year Ending 31.03.2003
Interest on Term Deposits & securities	4.48	4.25	8.00	10.13	9.12	1.80	5.19
Dividend/Other Income	1.30	0.86	1.76	1.66	0.29	0.00	0.00
Profit on sale of Fixed Assets	2.53	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	1.83	1.78	4.07	2.62	0.00	0.00	0.00
Profit on sale of Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**10.14**	**6.89**	**13.83**	**14.41**	**9.41**	**1.80**	**5.19**

Note-1: -All the above income stated herein are non recurring in nature.

-Details of items related to promoters/promoter group/related party-NIL

ANNEXURE - XVII

STATEMENT OF INVESTMENT

(Rs. in millions)

Particulars	year Ending 31.03.2007	year Ending 31.03.2006	year Ending 31.03.2005	year Ending 31.03.2004	year Ending 31.03.2003
NIL					
Total					

ANNEXURE - XVIII

STATEMENT OF CURRENT LIABILITIES & PROVISIONS

(Rs. in millions)

Particulars	As At 30.09.2007	As At 30.09.2006	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
Sundry Creditors							
TDS Payable	0.51	0.90	1.59	1.00	0.52	0.33	0.05
Sundry Creditors for Suppliers	36.43	36.10	28.81	46.54	67.00	71.20	34.37
			(Note-3)	(Note-2)	(Note-1)		
Bills payable	0.00	0.00	0.0	0.00	0.00	0.00	0.00
Sundry Creditors for Sub-Contractor	66.25	75.00	50.70	32.07	4.59	8.41	2.71
	(Note-8)	(Note-5)					
Sundry Creditors for Expenses	7.75	36.65	6.04	38.56	0.80	0.90	19.98
		(Note-6)					
Salaries Payable (CY)	6.41	6.68	4.10	5.78	3.01	1.94	1.38
Liabilities for expenses	8.99	9.31	9.50	3.13	8.92	28.54	1.91
		(Note-7)	(Note-4)				
Service Tax Payable	0.00	0.18	0.52	0.00	0.01	0.00	0.00
(A)	**126.34**	**164.82**	**101.26**	**127.08**	**84.85**	**111.32**	**60.40**
Advances from Clients							
Advances from Clients	156.32	411.72	315.95	424.16	31.80	0.00	17.74
Material Advance from Clients	184.41	227.40	210.22	164.12	39.31	17.46	55.65
(B)	**340.73**	**639.12**	**526.17**	**588.28**	**71.11**	**17.46**	**73.39**
Security Deposit Received - Others (C)	33.75	25.81	29.46	14.11	6.21	9.08	2.26
(D)	**33.75**	**25.81**	**29.46**	**14.11**	**6.21**	**9.08**	**2.26**
Total (A+B+C+D)	**500.82**	**829.75**	**656.89**	**729.47**	**162.17**	**137.86**	**136.05**

Note-1: details of items related to promoters/promoters group/Other related party-Rs 1.19 millions

Note-2: details of items related to promoters/promoters group/Other related party-Rs 1.01 millions

Note-3: details of items related to promoters/promoters group/Other related party-Rs 0.17 millions

Note-4: details of items related to promoters/promoters group/Other related party-Rs 0.52 millions

Note-5: details of items related to promoters/promoters group/Other related party-Rs 0.17 millions

Note-6: details of items related to promoters/promoters group/Other related party-Rs 0.81 millions

Note-7: details of items related to promoters/promoters group/Other related party-Rs 0.11 millions

Note-8: details of items related to promoters/promoters group/Other related party-Rs 0.03 millions

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with Our standalone financial statements as at and for the year ended March 31, 2007 and the six months ended September 30, 2006 and 2007 and the reports thereon and annexures, which have been restated in accordance with paragraph B(1) of Part II of Schedule II to the Companies Act and with the SEBI DIP Guidelines, and which are all included in this Draft Red Herring Prospectus. Our financial statements are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and auditing standards in other countries with which prospective investors may be familiar.

In this section, references to "we", "our" and "us" refers to our Company on a standalone basis for any period or date up to and including March 31, 2007 and September 30, 2007.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section titled "Risk Factors" on page viii of this Draft Red Herring Prospectus.

Overview

We are an engineering and infrastructure construction company in India. We are a fast growing company with expertise in the execution of major infrastructure projects including highways, bridges, flyovers, airport runways and allied activities.

We were incorporated in 1999 and are headquartered in Agra. We have executed or are executing projects across various states in India covering north, south, east and west of India. Drawing from the experience of our Promoters who started this business in 1989, we have acquired significant expertise in the timely execution of EPC contracts. We were awarded bonus by the NHAI for the completion of one of its projects before the scheduled time. We have also recently forayed into execution of highway projects on a BOT basis.

We execute most of our projects independently. When a client requires us to meet specific eligibility requirements in relation to certain large projects, including requirements relating to particular types of experience and financial resources, we enter into JVs with other construction companies. Of the 14 major infrastructure projects executed by our Company since incorporation, 12 projects have been executed independently by us.

Our major clients include:

- National Highways Authority of India;
- Airports Authority of India;
- Public Works Department;
- RITES Limited (a Government of India Enterprises);
- Military Engineer Services (Ministry of Defence); and
- Madhya Pradesh Road Development Corporation Limited.

Some of the prominent projects successfully completed by us include:

- Four Laning of Km. 24 to Km. 41 of Agra Gwalior Section of NH-3 including construction of Road Over Bridge Contract Package No. NS-19;
- Four Laning of Km. 8 to Km. 24 of Agra Gwalior Section of NH-3 including construction of major bridge on Khari River Contract Package No. NS-4;
- Short term improvement and Maintenance of Panipat Jalandhar Section from Km. 96.00 to Km. 372.86 on NH-1 including collection of user fee (Toll);
- Short term improvement and routine maintenance of Panipat Jalandhar Section (Km.96.00 to Km.371.00);
- Strengthening of main runway 19L/01R and proving CAT-II lighting at 19L approach at NSCBI Airport, Kolkata;
- Up-Gradation of Airstrips for operations of Boeing 737 Type of Aircraft at Saifai Etawah (Uttar Pradesh); and

- Sagar Beena (Funded by Asian Development Bank) Road 71.80 Km. under Madhya Pradesh Road Sector Development Program Phase-I.
- Resurfacing of runway, taxiway at civil airdrome, Raipur, Madhya Pradesh.

Currently, we are executing over 18 major infrastructure projects of which three projects are being executed with our JV partners. Among the infrastructure projects that we are currently executing, 13 projects aggregating to a contract value of Rs. 8,947.90 million relate to road construction and five projects aggregating to Rs. 996.80 million relate to construction of airport runways.

As on September 30, 2007, we had about 1,500 employees, of which 150 employees comprised of engineers and other qualified professionals. We own a large fleet of sophisticated construction equipments, including hot mix batch type plant, WMM plant, slip form paver finisher 9.00 meter width, paver finisher (sensor) 5.5 meter width, fixed form paver crushers, excavators, cone cranes (imported), transit mixer, concrete pump and concrete batching plants etc. We believe that our employee resources and fleet of equipments, along with our engineering skills and capabilities, enable us to successfully implement a wide variety of construction projects that involve varying degrees of complexity.

We enjoy accreditations, such as the ISO 9001:2000 certification for quality assurance and the "SS" (Super Special Class) under Military Engineer Services for unlimited value of contracts. We have also received accolades and appreciation certificates for some of our projects, such as for the construction of the Agra-Gwalior Road (NH-3) from NHAI and for the Bangalore airport runway (MES) project from the Ministry of Defence.

In the Fiscals 2007, 2006 and 2005, our contract revenues were Rs. 2,438.17 million, Rs. 1,424.51 million and Rs. 1,120.87 million, respectively. In the Fiscals 2007, 2006 and 2005, we earned PAT of Rs. 132.17 million, Rs. 90.41 million and Rs. 46.20 million, respectively. We have earned aggregate revenue of over 4,200 millions from the independent projects and 776.35 million from the JV projects during Fiscal 2005, 2006 and 2007. Our Order Book which includes un-commenced projects and unfinished and uncertified portions of our projects, was Rs. 9,944.70 million as on September 30, 2007 compared to Rs. 5,009.30 million as of September 30, 2006.

Factors affecting our results of operations

Our financial condition and results of operations are affected by numerous factors and the following are of particular importance:

Performance of the civil infrastructure sectors. Our Company focuses principally on projects in the infrastructure 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 several further, large infrastructure projects in India. Our ability to benefit from the considerable investments proposed in infrastructure construction in the medium and long term and to avoid any downturns in the sectors will be key to our results of operations.

Competition. We compete against various engineering and construction companies. 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. 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, performance, reputation for quality, safety record, financial strength and bonding capacity and the size of previous contracts executed in similar projects, although the price competitiveness of the bid is usually the most important selection criterion. Pre-qualification is key to our winning major projects. We are currently qualified to bid for projects up to certain contract values depending on the project sponsor. To bid for some higher value contracts, we sometimes seek to form strategic alliances or joint ventures with other experienced and qualified companies.

Cost of raw materials, labour and other inputs. The cost of raw materials, fuel, labour and other inputs constitutes a significant part of our operating expenses. Our construction operations require various construction raw materials including steel and cement. Fuel costs for operating our construction and other equipment also constitute a significant part of our operating expenses, especially in the case of our infrastructure projects. Our ability to pass on increases in the purchase price of raw materials, fuel and other inputs may be limited in the case of fixed-price contracts or contracts with limited price escalation provisions. Under the terms and conditions of fixed-price contracts, we generally agree to provide services for the part of the project contracted to us for a fixed price, subject to contract variations pursuant to changes in the client's project requirements. Many of our projects are performed under fixed-price contracts that contain limited or no price escalation clauses covering increases in the cost of raw materials. Our actual expense in executing a fixed-price contract may vary substantially from the assumptions underlying our bid for several reasons, including unanticipated increases in the cost of raw materials, fuel, labour and other inputs, unforeseen construction conditions, including inability of the client to obtain requisite environmental and other approvals, delays caused by local weather conditions and suppliers' or subcontractors' failures to perform. 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 variations and the risks generally inherent to the construction industry may result in our profits being different from those originally estimated and may result in our experiencing reduced profitability or losses on projects.

Collection of receivables from our clients. There may be delays associated with the collection of receivables from our clients, including government owned, controlled or funded entities. Our operations involve significant working capital requirements and delayed collection of receivables could adversely affect our liquidity and results of operations. In addition, we may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned, controlled or funded entities. We expect to engage in annuity projects in the future. Such projects will involve our taking on the long-term risk that the client may default on its annuity payments to us. There can be no assurance that any such development would not adversely affect our business.

Ability to attract, recruit and retain skilled personnel. A significant number of our employees are skilled engineers and we face strong competition to attract, recruit and retain these and other skilled and professionally qualified staff. The loss of any of the members of our senior management, our Directors or other 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.

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 a portion of our fleet of 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. Since revenues are not recognized until we make progress on a contract and receive such certification from our clients, 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. 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.

Variability of payment terms. Our revenues are dependent on the payment terms involved in a project. Our contracts typically stipulate payment terms on the basis of achievement of specified milestones and schedules for the project. In some contracts, however, the payment terms may not include advance payments or the contract may have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burdens.

Changes in tax laws and regimes. We currently have operations and staff spread across many Indian states. Consequently, we are subject to the jurisdiction of a number of tax authorities and regimes. The revenues recorded and income earned in these various jurisdictions are taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of our tax liabilities involves the interpretation of local tax laws and related authorities in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in our operating environment, including adverse changes in any of the taxes levied by the Central or state Governments, could impact the determination of our tax liabilities for any given tax year.

Critical Accounting Policies

Use of Estimates

Preparation of financial statement required the management of the Company to make estimates and assumption that effect the reported balances of assets and liabilities and disclosures relation to contingent liabilities as at the date of financial statements and reported amounts of income & expenses during the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future projects.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost of fixed assets comprises purchase price, duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

Depreciation

Depreciation on fixed assets has been provided as per straight line method (except for plant and machinery which is depreciated as per written down value basis). Depreciation has been provided in the manner and at the rates specified in Schedule XIV to the Companies Act and on prorata basis. Fixed assets are stated at cost less depreciation.

Inventories

Inventories are valued at lower of cost or net realizable value. Raw material cost is determined on first in first out basis. Cost in case of work in progress and finished goods is determined on the basis of cost includes cost of material, labour, direct expenses etc.

Revenue Recognition

- *Construction Contracts*

  Revenue from fixed price construction contracts is recognized by reference to the percentage of completion of the contract activity. The stage of completion is determined by survey of work performed and or on completion of a physical proportion of the contract work, as the case may be.

- *Joint Venture Projects*

  Assets, liabilities and expenditure arising out of contracts executed wholly by the company pursuant to a JV contract are recognized under respective heads in the financial statements. Revenue from the contracts is accounted for net of JV’s share under turnover in these financial statements.

- *Sale of Crushed Aggregate*

  Sales exclude applicable sales tax and net of discount.

Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with AS 22 Accounting for Taxes on Income, issued by the ICAI, the deferred tax for timing difference between the book and tax profits for the year is accounted using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Accordingly deferred tax liability as appropriate has been created.

Provision for fringe benefit tax is determined in accordance with chapter XII-H to IT Act read with the relevant rules, circulars and notifications issued from time to time.

Retirement Benefits

Provident Fund is a defined contribution plan for which contribution accruing during the year as per the scheme is expansed.

The Company has been accounting gratuity and leave encashment expenses on cash basis.

Summary of Results of Operations

The table below sets forth, for the periods indicated, our restated profit and loss account, both in absolute terms and with each line item represented as a percentage of total income:

	Fiscal 2007		Fiscal 2006		Fiscal 2005	
	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income
Income						
Contract Revenue	2,438.17	95.09%	1,424.51	93.63%	1,120.87	99.17%
Sale of Crushed Stone	112.20	4.37%	82.49	5.42%	-	-
Other income	13.83	0.54%	1440	0.95%	9.41	0.83%
Total Income (A)	2,564.20	100%	1,521.40	100%	1,130.28	100%
Expenditure						
Operating expenses	1,984.13	77.38%	1173.41	77.13%	937.90	82.98%
Employee Cost	95.50	3.72%	61.68	4.05%	35.20	3.11%
Sales and Administrative Expenses`	123.47	4.82%	98.96	6.50%	62.77	5.55%
Financial Charges	61.81	2.41%	27.61	1.81%	8.75	0.77%
Depreciation	98.79	3.85%	53.30	3.50%	21.55	1.91%
Preliminery exp.w/o	0.04	-	0.04	-	0.04	-
Total Expenditure (B)	2,363.74	92.18%	1,415.00	92.99%	1,066.21	94.32%
Profit Before Tax. (a-b)	200.46	7.82%	106.40	7.01%	64.07	5.68%
Provision for taxes						
Current tax	66.92	2.61%	11.34	0.75%	11.79	1.04%
Deferred tax	0.83	0.03%	18.18	1.19%	2.96	0.26%
FBT	0.54	0.02%	0.61	0.04%	-	-
Profit after tax	132.17	5.16%	76.27	5.03%	49.32	4.38%
Adjustments						
Current tax impact of Adjustments	-	-	-	-	-	-
Deferred tax impact of Adjustments	-	-	14.14	0.92	(3.12)	(0.28)
Total of adjustments after tax impact	-	-	-	-	-	-
Net profit for the year as restated	132.17	5.16%	90.41	5.95%	46.20	4.10%

The table below sets forth, our restated profit and loss account for the six months ended September 30, 2007 and September 30, 2006, both in absolute terms and with each line item represented as a percentage of total income:

	6 month ended September 30, 2007		6 month ended September 30, 2006	
	Rs. Million	% of Total Income	Rs. Million	% of Total Income
Income				
Contract Revenue	1,544.09	95.11%	948.63	93.69%
Sale of Crushed Stone	69.21	4.26%	57.00	5.63%
Other income	10.14	0.63%	6.89	0.68%
Total Income (A)	1,623.44	100%	1,012.52	100%
Expenditure				
Operating expenses	1,264.06	77.86%	777.32	76.77%
Employee Cost	64.89	4.00%	42.87	4.23%
Sales and Administrative Expenses`	73.65	4.54%	54.39	5.37%
Financial Charges	36.12	2.22%	29.86	2.95%
Depreciation	43.52	2.68%	47.72	4.71%

	6 month ended September 30, 2007		6 month ended September 30, 2006	
	Rs. Million	**% of Total Income**	**Rs. Million**	**% of Total Income**
Preliminery exp.w/o	0.02	-	-	-
Total Expenditure (B)	1,482.26	91.30%	952.16	94.03%
Profit before tax. (A-B)	141.18	8.70%	60.36	5.97%
Provision for taxes				
Current tax	49.09	3.02%	20.11	1.99%
Deferred tax	(0.87)	(0.05)%	0.47	0.05%
FBT	0.32	0.02%	0.27	0.03%
Profit After Tax	92.64	5.71%	39.51	3.90%
Adjustments				
Current tax impact of Adjustments	-	-	-	-
Deferred tax impact of Adjustments	-	-	-	-
Total of adjustments after tax impact	-	-	-	-
Net Profit for the year as Restated	92.64	5.71%	39.51	3.90%

Six months ended September 30, 2007 compared with six months ended September 30, 2006

Contract Revenue

For six month period ended September 30, 2007 our income from contract revenue increased by 62.77% to Rs.1,544.09 million from Rs.948.63 million in six months period ended September 30, 2006. This increase was primarily due to increase in number of contracts executed by our Company which can be attributed to the ability of our Company to bid and win increased number of awards. Additionally, our Company has been able to leverage on the robust growth in the infrastructure sector.

Sale of Crushed Stone

For six months period ended September 30, 2007 our revenue from sale of crushed stone increased by 21.42% to Rs. 69.21 million in six months ended September 30, 2007 from Rs. 57.00 million in six months period ended September 30, 2006. This was due to maximum utilization of plant capacity, better quality of the products to capture the market and better demand.

Other Income

Other income has increased by 47.17% to Rs.10.14 million in six month period ended September 30, 2007 to Rs. 6.89 million in six months period ended September 30, 2006. This was primarily due to increase in interest income arising out of higher amount of monies placed in interest bearing deposit for margin money on bank guarantees.

Operating Expenses

Operating expense has increased by 62.62% to Rs. 1,264.06 million in six months period ended September 30, 2007 from Rs. 777.32 million in six months period ended September 30, 2006. This was due to increased monies spending on raw material and other contract execution expenses which commensurate with the increase in turnover / revenue by 62.77%. Additionally, this can be attributed to increase in cost of cement, steel, stone, grit and petroleum products etc.

Employee Cost

Our employee cost has increased by 51.36% to Rs. 64.89 million in six months period ended September 30, 2007 from Rs.42.87 million in six months period ended September 30, 2006. This was primarily due to increase in salary of our employees. As a percentage of total income employee cost has marginally declined by 0.23% to 4% for six months period ended September 30, 2007. The employee cost being fixed in nature has gone down in percentage terms due to increase in top line of our Company in the current six months.

Administrative and Other Expenses

Our administrative and other expenses have increased by 35.41% to Rs. 73.65 million in six months period ended September 30, 2007 from Rs.54.39 million in six months period ended September 30, 2006. But as a percentage of total income Administrative and other expenses has declined by 0.83% to 4.54% for the six months period ended September 30, 2007 as compared to 5.37% in the corresponding period ended September 2006 due to various cost cutting measures adopted by our Company.

Financial Charges

Our financial charges have increased by 20.96% to Rs. 36.12 million in six months period ended September 30, 2007 from Rs.29.86 million in six months period ended September 30, 2006. This was primarily due to increase in bank charges on account of higher bank guarantees issued during the period and also interest payment on additional working capital need. As a percentage of total income financial charges has declined by 0.73% in the current half year ended September 30, 2007.

Depreciation

Our depreciation has decreased by 8.80% to Rs. 43.52 million in six months period ended September 30, 2007 from Rs. 47.72 million in six months period ended September 30, 2006. This was primarily due to lesser acquisition of plant and machinery in the six month ended of September 2007 compared to the six month ended September 2006.

Profit before Tax

Principally for the reasons discussed above, our Profit before Tax has increased by 133.90% to Rs. 141.18 million in six month period ended September 30, 2007 from Rs. 60.36 million in six months period ended September 30, 2006.

Total Tax

Our total tax increased by 132.81% to Rs. 48.54 million in six months period ended September 30, 2007 from Rs. 20.85 million in six months period ended September 30, 2006. This was primarily due to increase in profits.

Profit As Restated

Principally for the reasons discussed above, our net profit, as restated increased to Rs.92.64 million in six months period ended September 30, 2007 from Rs.39.51 million in six months period ended September 30, 2006, an increase of 134.47%.

Fiscal 2007 compared to Fiscal 2006

Contract Revenue

In Fiscal 2007, our income from contract revenue increased by 71.16% to Rs. 2,438.17 million in Fiscal 2007 from Rs. 1,424.51 million in Fiscal 2006. This increase was primarily due increase in number of contracts executed by our Company which can be attributed to the ability of our Company to bid and win increased number of awards.

Sale of Crushed Stone

In Fiscal 2007 our revenue from sale of crushed stone increase by 36.02% to Rs. 112.20 million in Fiscal 2007 from Rs. 82.49 million in Fiscal 2006. This was due to maximum utilization of plant capacity, better quality of the products to capture the market and better demand.

Other Income

Other income has decreased by 3.96 % to Rs. 13.83 million in Fiscal 2007 from Rs. 14.40 million in Fiscal 2006. This was primarily due to reduction in interest rates on margin money deposits.

Operating Expenses

Operating expense has increased by 69.09% to Rs. 1,984.13 million in Fiscal 2007 from Rs. 1,173.41 million in Fiscal 2006. This was due to increased monies spending on raw material and other contract execution expenses which commensurate with the increase in turnover / revenue. Additionally, this can be attributed to increase in cost of cement, steel, stone, grit and petroleum products etc. As a percentage of our total income, our operating expenses marginally increased to 77.38% in Fiscal 2007 from 77.13% in Fiscal 2006.

Employee Cost

Our employee cost has increased by 54.83% to Rs. 95.50 million in Fiscal 2007 from Rs. 61.68 million in Fiscal 2006. This was primarily due to increase in our employee strength from 1,208 as of March 31, 2006 to 1,571 as of March 31, 2007 coupled with revision in salary of our employees. But as a percentage to total income, employee cost has reduced in Fiscal 2007 to 3.72% from 4.05% in Fiscal 2006.

Administrative and other Expenses

Our administrative and other expenses have increased by 24.77% to Rs. 123.47 million in Fiscal 2007 from Rs. 98.96 million in Fiscal 2006 due to increase in the turnover of our Company. But as a percentage to total income, administrative and other expenses reduced in Fiscal 2007 to 4.82% from 6.50% in Fiscal 2006, due to various cost cutting measures adopted by our Company.

Financial Charges

Our financial charges have increased by 123.87% to Rs. 61.81 million in Fiscal 2007 from Rs. 27.61 million in Fiscal 2006. This was primarily due to an increase in the issuance of new bank guarantee and utilization of working capital limit as a percentage of total income financial charges is increased to 2.41% as of March 31, 2007 from 1.81% as of March 31, 2006.

Depreciation

Our depreciation has increased by 85.35% to Rs. 98.79 million in Fiscal 2007 from Rs. 53.30 million in Fiscal 2006. This was primarily due to an increase in capital expenditure on plant and machinery, equipment, and vehicles.

Profit before Tax

Principally for the reasons discussed above, our profit before tax has increased to 88.40% to Rs. 200.46 million in Fiscal 2007 from Rs. 106.40 million in Fiscal 2006.

Total Tax

Our total tax increased by 327.08% to Rs. 68.29 million in Fiscal 2007 from Rs. 15.99 million in Fiscal 2006. This was primarily due to the removal of tax benefits under Section 80 IA of Income Tax Act, 1961 in Fiscal 2007.

Profit As Restated

Principally for the reasons discussed above, our net profit, as restated increase to Rs. 132.17 million in Fiscal 2007 from Rs. 90.41 million in Fiscal 2006, an increase of 46.19%.

Fiscal 2006 compared to Fiscal 2005

Contract Revenue

Our income from contract revenue increased by 27.09% to Rs. 1424.51 million in Fiscal 2006 from Rs. 1,120.87 million in Fiscal 2005. This increase was primarily due increase in number of contracts executed by our Company which can be attributed to the ability of our Company to bid and win increased number of awards.

Sale of Crushed Stone

Our Company commenced the business of sale of crushed stone in Fiscal 2006 and received revenue of Rs. 82.49 million from sale of crushed stone.

Other Income

Other income has increased by 53.03% to Rs. 14.40 million in Fiscal 2006 from Rs. 9.41 million in Fiscal 2005. This was primarily due to increase in miscellaneous income and interest received from the bank. As a percentage of total income 0.12% is increased in Fiscal 2006 as compared to Fiscal 2005.

Operating Expenses

Operating expense has increased by 25.11% to Rs. 1,173.41 million in Fiscal 2006 from Rs. 937.90 million in Fiscal 2005. This was due to increased monies spending on raw material and other contract execution expenses which commensurate with the increase in turnover / revenue. The percentage of total income operating expense has decrease substantially 5.85% due to better utilization of resources and adopting cost cutting measures in purchasing of raw material.

Employee Cost

Our employee cost has increased by 75. 23% to Rs. 61.68 million in Fiscal 2006 from Rs. 35.20 million in Fiscal 2005. This was primarily attributable to increase in the number of our employees from 644 as at March 31, 2005 to 1,208 as at March 31, 2006.

Administrative and Other Expenses

Our sales and administrative expenses have increased by 57.65% to Rs. 98.96 million in Fiscal 2006 from Rs. 62.77 million in Fiscal 2005 due to increase in turnover of our Company.

Financial Charges

Our financial charges have increased by 215.54% to Rs. 27.61 million in Fiscal 2006 from Rs. 8.75 million in Fiscal 2005. This was primarily due to an increase in bank charges of bank guarantee and additional utilization of working capital for development, construction and procurements of projects and acquisition of equipments and machineries.

Depreciation

Our depreciation has increased by 147.33% to Rs. 53.30 million in Fiscal 2006 from Rs. 21.55 million in Fiscal 2005. This was primarily due to an increase in capital expenditure on plant and machinery, equipment, and vehicles.

Profit before Tax

Principally for the reasons discussed above our Profit before Tax has increased to 66.07% to Rs.106.40 million in Fiscal 2006 from Rs. 64.07 million in Fiscal 2005.

Total Tax

Our total tax decreased by 10.52% to Rs. 15.99 million in Fiscal 2006 from Rs. 17.87 million in Fiscal 2005. This was primarily due to the additional projects of our Company being eligible for tax benefits under Section 80 IA of Income Tax Act, 1961 in Fiscal 2006.

Profit As Restated

Principally for the reasons discussed above, our net profit, as restated increased to Rs.90.41 million in Fiscal 2006 from Rs. 46.2 million in Fiscal 2005, an increase of 95.69%.

Fiscal 2005 compared to Fiscal 2004

Contract Revenue

Our income from contract revenue increased marginally by 1.11% to Rs. 1,120.87 million in Fiscal 2005 from Rs. 1,108.60 million in Fiscal 2004.

Sale of Crushed Stone

This business segment did not exist in Fiscal 2005 as well as in Fiscal 2004.

Other Income

Other income has increased by 422.78% to Rs. 9.41 million in Fiscal 2005 from Rs.1.80 million in Fiscal 2004. This was primarily due to an increase in the interest received from banks.

Operating Expenses

Operating expense decreased by 2.30% to Rs. 937.90 million in Fiscal 2005 from Rs. 960.03 million in Fiscal 2004. This was principally due to optimum utilization of resources and adopting cost cutting policies. As a percentage of total income operation expenses decreased substantially by 3.48% in Fiscal 2005 compared to Fiscal 2004.

Employee Cost

Our employee cost increased by 17.73% to Rs. 35.20 million in Fiscal 2005 from Rs. 29.90 million in Fiscal 2004. This was primarily due to increase in the number of our employees from 570 as at March 31, 2004 to 644 as at March 31, 2005 and increase in salaries.

Administrative and Other Expenses

Our administrative and other expenses increased by 27.61% in Fiscal 2005 to Rs. 62.77 million from Rs. 49.19 million in Fiscal 2004 primarily due to increase in rent and security as a result of increased toll collection activities for third parties.

Financial Charges

Our financial charges increased by 66.35% to Rs. 8.75 million in Fiscal 2005 from Rs. 5.26 million in Fiscal 2004. This was primarily due to an increase in bank charges on bank guarantee and utilization in working capital for the development, construction and procurements of projects.

Depreciation

Our depreciation increased by 22.72% to Rs. 21.55 million in Fiscal 2005 from Rs. 17.56 million in Fiscal 2004. This was primarily due to an increase in capital expenditure on plant and machinery, equipment, and vehicles.

Profit before Tax

Principally for the reasons discussed above our profit before tax has increased by 32.32% in Fiscal 2005 to Rs. 64.07 million in Fiscal 2005 from Rs. 48.42 million in Fiscal 2004.

Total Tax

Our total tax increased by 4.38% to Rs. 17.87 million in Fiscal 2005 from Rs. 17.12 million in Fiscal 2004. This was primarily due to increase in profits.

Profit As Restated

Principally for the reasons discussed above, our net profit, as restated increased to Rs. 46.2 million in Fiscal 2005 from Rs. 31.3 million in Fiscal 2004, an increase of 47.6%.

Liquidity and Capital Resources

Historically, our principal liquidity requirements have been to finance our working capital requirements. Our business operations require significant working capital to finance the requirement of margin money for bank guarantee, increase in requirements of inventories/receivables due to increase in business activities. To fund these costs, we rely on bank finance and cash accruals.

Cash Flows

The table below sets forth our cash flows for the periods indicated:

(Rs. in million)

	Six months ended September 30, 2007	Fiscal 2007	Fiscal 2006	Fiscal 2005
Net Cash (used in)/ generated from operation	311.24	(46.74)	(3.59)	6.51
Net Cash from investing activities	(39.94)	(132.60)	(378.80)	(108.53)
Net Cash from financing activities	(276.15)	108.02	350.26	210.21
Net increase / (decrease) in cash and cash equivalent	(4.85)	(71.32)	(32.13)	108.19

Net Cash (used in)/ generated from operation

Our net cash generated in operating activities in the six months ended September 30, 2007 was Rs. 311.24 million including our operating profit before working capital changes for that period Rs. 220.84 million. The difference was mainly attributable to decrease in trade and other receivables and inventories, which were partially offset by decrease in trade payables and others.

Our net cash used in operating activities in Fiscal 2007 was Rs. 46.74 million, although our operating profit before working capital changes for that year was Rs. 361.10 million. The difference was mainly attributable to increases in inventories and trade receivables and decrease in trade payables.

Our net cash used from operating activities in Fiscal 2006 was Rs. 3.59 million, although our operating profit before working capital changes for that year was Rs. 187.33 million. The difference was attributable to increases in trade and other receivables and inventories, which were partially offset by increases in trade payables.

Our net cash generated from operating activities in Fiscal 2005 was Rs. 6.51 million, although our operating profit before working capital changes for that year was Rs. 94.41 million. The difference was attributable to increases in trade and other receivables and inventories, which were partially offset by increases in trade payables.

Net Cash from investing activities

Our net cash flow used in investing activities was Rs. 39.94 millions in six months period ended September 30, 2007 which was primarily due to purchase of fixed assets amounting to Rs.39.94 millions.

Our net cash flow used in investing activities was Rs. 132.60 millions for Fiscal 2007 which was primarily due to purchases of fixed assets amounting to Rs 132.60 millions.

Our net cash flow used in investing activities was Rs. 378.80 millions for fiscal 2006 which was primarily due to purchases of fixed assets amounting to Rs 378.80 millions.

Our net cash flow used in investing activities was Rs. 108.53 millions for fiscal 2005 which was primarily due to purchases of fixed assets amounting to Rs. 108.53 millions.

Net Cash from financing activities

Our net cash flow used in financing activities in six months period ended September 30, 2007 was Rs. 276.15 comprised repayment of bank borrowing by way of secured loans amounting to Rs.188.53 millions and repayment of NBFC's loan amounting to Rs.51.50 million and payment of interest amounting to Rs. 36.12 millions.

Our net cash flow generated in financing activities in Fiscal 2007 was Rs. 108.02 comprised of bank borrowing by way of secured loans amounting to Rs. 208.74 millions and repayment of NBFC's loan amounting to Rs.38.91 millions and payment of interest amounting to Rs. 61.81 millions.

Our net cash flow generated in financing activities in Fiscal 2006 was Rs. 350.26 comprised of bank borrowing by way of secured loans amounting to Rs. 107.59 millions and borrowing from NBFC's loan amounting to Rs.

207.05 millions, subscription money from the allotment of 711,000 equity shares at Rs. 100 per shares including premium of Rs. 90 per shares amounting to Rs 71.10 millions, payment of interest amounting to Rs. 27.61 millions and repayment of unsecured loans of Rs. 7.87 millions.

Our net cash flow generated in financing activities in Fiscal 2005 was Rs. 210.21 comprised of bank borrowing by way of secured loans amounting to Rs. 34.28 millions and borrowing from NBFC's loan amounting to Rs. 51.81 millions, subscription money from the allotment of 1,562,500 equity shares at Rs. 80 per shares including premium of Rs. 70 per shares amounting to Rs 125 millions, payment of interest amounting to Rs. 8.75 millions and borrowings of unsecured loans of Rs. 7.87 millions.

Capital Expenditure

We have substantial investment in construction infrastructure and will be required to make investments in construction infrastructure on a recurring basis. In six months period ended September 30, 2007 we have invested Rs. 39.94 millions in fixed assets, including Rs.38.16 millions for plant and machineries.

Certain Balance Sheet Items

Set forth below is a table of our selected standalone balance sheet data as at September 30, 2007 and March 31, 2007, 2006 and 2005:

(Rs. in million)

Particulars	September 30, 2007	Fiscal 2007	Fiscal 2006	Fiscal 2005
Fixed Assets	576.99	580.58	546.77	221.27
Current Assets	1,159.59	1,478.37	1,226.39	512.07
Currents Liabilities	500.82	656.89	729.47	162.17
Secured Loans	395.69	635.72	465.89	151.25
Total Debt	395.69	635.72	465.89	159.12
Contingent Liability	1,723.60	1,352.72	1,267.72	714.92

Fixed Assets

Our total fixed assets after depreciation were Rs. 576.99 million as at September 30, 2007. Our fixed assets consist of building, plant and machinery, earthmoving machine, furniture and fixtures, vehicles, computer, machinery equipments and instruments, office equipment and temporary building. Our fixed assets are increasing gradually as we procure additional construction – related assets. We have also imported machinery for execution of some contracts.

Current Assets

Our current assets as at September 30, 2007 were Rs. 1,159.59 million. Our current assets include inventories, sundry debtors, cash and bank balances and loans and advances. Our receivables from sundry debtors as at September 30, 2007 were Rs. 499.09 million, which consisted principally of receivables from parties other than related parties of Rs. 497.87 million. Our inventories as at September 30, 2007 were Rs. 253.34million, which consisted principally of construction material, stores and working in progress used in our projects. Our cash and bank balances as at September 30, 2007 were Rs.30.66 million.

Current Liabilities

Our current liabilities as at September 30, 2007 were Rs. 500.82 million. Our current liabilities include sundry creditors and other liabilities. Sundry creditors as at September 30, 2007 were Rs. 110.43 million, which principally amounts owed to suppliers of raw materials and sub-contractors and other liabilities was Rs. 390.39 millions which includes Rs. 340.73 millions as advance received from departments .

Secured Loans

Our secured loans as at September 30, 2007 were Rs. 395.69 million. Secured Loans include working capital loans from banks Rs. 198.65 million and term loan from financial institution and NBFCs Rs. 197.04 millions.

Total Debt

The following table sets forth our repayment obligations under the terms of our secured indebtedness as at September 30, 2007. All such indebtedness are comprised of revolving credit facilities, which are payable within one year.

(Rs. in million)

	Payments due during the Fiscal			
	2008	**2009**	**2010**	**After 2010**
Secured (bank)	-	-	-	-
Other secured	65.33	109.41	21.42	0.87
Unsecured	-	-	-	-

Contingent Liability

Our contingent liabilities consists of bank guarantees in support of bids an on going projects in favour of department and income tax disputed demand of income tax. For six months period ended September 30, 2007 an aggregate amount of Rs. 1,663.61 millions of bank guarantees were outstanding and income tax demand amounting to Rs. 43.26 million and service tax demand amounting to Rs. 16.73 million.

Market Risks

Foreign Currency Risk

To the extent that our income and expenditure are not denominated in the same currency, exchange rate fluctuations could cause some of our costs to increase more than our revenues on a given contract. Our future capital expenditures, including equipment and machinery, may be denominated in currencies other than Indian rupees. Therefore, declines in the value of the rupee against such other currencies could increase the rupee cost of making such purchases.

Equity Price Risk

Equity price risk arises when we are exposed to changes in the fair value of any traded equity instruments that we may hold due to changes in the equity markets. Our exposure to changes in equity prices is not material to our financial condition or results of operations.

Interest Rate Risk

As at Septmber 30, 2007 we had fixed and floating rate debt that exposed us to market risk as a result of changes in interest rates. Rs. 198.65 million, or 50.21% of our total debt, consists of variable rate debt obligation. We undertake debt obligations to support general corporate purposes, including capital expenditure and working capital needs. Upward fluctuations in interest rates increase the cost of debt and interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to modify the nature of our debt so as to manage our interest rate risk.

Information Required as per Clause 6.10.5.5 of the SEBI DIP Guidelines

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

Known Trends or Uncertainties

Except as described in the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages viii and 120, respectively of this Draft Red Herring Prospectus, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

FINANCIAL INDEBTEDNESS

As on September 30, 2007, our Company has an aggregate of Rs. 395.69 million of secured loans outstanding. Set forth below is a brief summary of our current significant financing arrangements.

I. Working Capital Facility

Our Company had entered into a working capital consortium agreement dated November 22, 2006 with a consortium of six banks, namely, Bank of Baroda (lead bank), Vijaya Bank, UCO Bank, ICICI Bank, Canara Bank and Corporation Bank pursuant to which a credit limit of Rs. 3,600 million was sanctioned. As per the terms of the agreement, our Company has undertaken to utilise the facility for meeting a part of our working capital requirements and for no other purpose. In relation to the agreement, our Company has created a first charge by way of hypothecation and / or pledge of our current assets, viz., stocks of raw materials, semi finished and finished goods, bills receivables, book debts etc. Further a second charge by way of mortgage in favour of the lenders on the immovable and movable properties other than current assets, present and future (only if stipulated by the bank) has been created. Additionally, our promoters and others namely, Mr, Pradeep Kumar Jain, Mr. Naveen Kumar Jain, Mr. Chakresh Kuman Jain, Mr. Yogesh Kumar Jain, Ms. Meena Jain, Ms. Premwati Jain and PNC Cold Storage Private Limited have provided personal guarantees in relation to the facility.

Subsequently, pursuant to sanction letter of the lead bank dated September 6, 2007, the consortium limit has been enhaced to Rs. 5,500 million (including Rs. 1,000 million fund based limits and 4,500 million non fund based limits). Pursuant to the terms of the sanction letter our Company has undertaken not to do the following during the currency of the facility without the prior written consent of the lead bank:

- Effect any change in capital structure, depreciation method and accounting procedure;
- Formulate any scheme of amalgamation or reconstruction;
- Undertake any new project schemes, unless the expenditure on such expansion is covered by our Company's net cash accruals after providing for dividends, investments etc. or for long term funds received for financing such projects or expansion;
- Invest by way of share capital in or lend or advance funds to or place deposits with any other concern;
- Undetake guarantee obligations on befalf of our Company;
- Withdraw monies brought in by principal shareholders/directors depositors;
- Make any drastic change in the management of our Company;
- Declare dividends for any year except out of profits relating to that year.

Additionally, pursuant to the consortium meeting held on October 25, 2007, the consortium of banks were modified as follows, Bank of Baroda, ICICI Bank, Canara Bank, Punjab National Bank, ABN AMRO Bank N.V. and Vijaya Bank. Bank of Baroda has been nominated as the lead bank of the consortium. Our Company is in the process of executing the consortium agreement in this regard.

Particulars of Interest & Commission

	BOB	ICICI Bank	Vijaya Bank	Punjab National Bank	Canara Bank	ABN Amro Bank
Cash Credit Limit	BPLR-2% i.e. @ 11.25% p.a. with monthly the rests with right to reset the ROI.	3.40% p.a. below the sum of IBAR and cash credit risk Premium prevailing on each day & CCP @ 0.5% i.e. 12.85% p.a.	PLR– 1.75% i.e. 11.25% p.a. or the lead bank whichever is higher	BPLR-1.75% p.a. i.e. 11.25% p.a. on ROI charged by BOB, whichever is higher	BPLR-2% p.a. i.e. 11.25% p.a.	10.15% p.a.
Commission on Bank	0.50% p.a.	0.50% p.a. to be charged at the beginning of each quarter in	0.50% p.a. for all type of guarantees and / or at par with	0.50% p.a. or Lead Banker whichever is higher	0.50% p.a. on Bid Bond and 0.65% p.a. on other	0.50% p.a. for all type of guarantees subject to Lead Bank in similar

	BOB	ICICI Bank	Vijaya Bank	Punjab National Bank	Canara Bank	ABN Amro Bank
		advance	consortium leader whichever is higher		Bank Guarantees	terms of offer.

Additionally our Company has undertaken to pay commitment charges and bear interest tax as may be applicable from time to time.

II. Equipment Financing Facilities

As on September 30, 2007, our Company has availed (i) 34 facilities together from Citibank N.A. and Citicorp Finance (India) Limited (ii) 34 facilities from ABN Amro Bank N.V.; (iii) 22 facilities from HDFC Bank Limited; (iv) 27 facilities from ICICI Bank Limited and (v) five facilities from SREI Infrastructure Finance Limitedfor the purchase of assets (construction equipments/ machineries/ vehicles etc.) for its daily operations in the ordinary course of business.

The equipments purchased pursuant to such financing availed have been secured by way of hypothecation with the respective lenders. Set forth below is a brief description of significant terms provided for under such financing agreements, entered with the respective banks.

i) Loan cum Hypothecation Agreements with Citibank N.A and Citicorp Finance Limited.

Under the terms of the facility agreements with Citibank N.A., require our Company to inform the lender of any change in the constitution or ownership of our Company which may have an adverse affect. The lender has the right to recall the facility at any time by providing the borrower seven clear business days notice in writing. Further our Company is required to ensure that the hypothecated assets are free from any encumbrances and nothing is done that may adversely affect the security on the hypothecated assets in favour of the lender.

ii) Loan cum Hypothecation Agreements with ABN Amro Bank N.V.

Under the terms of the facility agreements with ABN Amro Bank N.V., the lender may at any time in its discretion cancel the facilities without prior notice to our Company or without assigning any reasons, not disburse the facilities or any part thereof. A default committed by our Company with respect to its obligations to any other bank or financial institution, any substantial change in the shareholding pattern of our Company or in the management/ control of our Company constitute events of default under the terms of the facility agreements. Our Company has undertaken not to sell, dispose off, encumber in any way, or part with possession of construction equipment without prior written consent of the lender.

The bank shall have a permanent charge, lien and right of set off on all monies, securities, deposits and other assets and properties belonging to our Company or standing to our credit with the lender bank or any of our group companies. In this regard, we have irrevocably authorised the lender bank to intimate any such companies with whom we have an account to adjust such amount lying to our credit with the companies against all dues payable by our Company by exercising the right of set off.

iii) Agreements for Equipment Loan and Guarantee with HDFC Bank Limited

Under the terms of the facility agreements with HDFC Bank Limited, Our Company has undertaken not to sell, dispose off, encumber in any way, or part with possession of construction equipment without prior written consent of the lender

Borrower or the Director, acting in capacity of a guarantor, shall not assign or transfer all or any of the rights, benefits and obligations hereunder except with the prior written consent of the bank.

iv) Vehicle Loan cum Hypothecation Agreements with ICICI Bank Limited

Under the terms of the facility agreements with ICICI Bank Limited, the lender may in its discretion and without assigning any reasons, not disburse the loan or any part thereof and the lender shall not be responsible or liable for any cost, loss or damage or expenses caused by reason of such non disbursement. Additionally, the lender may take possession of the collaterals irrespective of recalling of the loan if there is an apprehension of any money not being paid or bank security being jeopardised.

v) Loan Agreements with SREI Infrastructure Finance Limited

Under the terms of the facility agreements with SREI Infrastructure Finance Limited, the lender shall have the right to sell the assets without prior notice to our Company, in the event of any default in payment. Additionally, the lender shall have exclusive charge over the hypothecated equipment and our Company shall not create any interest in the equipment in favour of any person or body, except with the prior written consent of the lender.

SECTION - VI

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

As of the date of this Draft Red Herring Prospectus, except as described below, there are no outstanding litigation, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters and our Promoter Group companies that could have an adverse effect on our Company's business. Further, there are no defaults or arrears in statutory dues, institutional/ bank dues or dues payable to holders of any debentures, bonds and fixed deposits that could have a material adverse effect on our Company's business, other than unclaimed liabilities against our Company and our JVs, our Directors, our Promoters or our Promoter Group companies. Our Company and none of our Promoters and Promoter Group companies are on the RBI's list of wilful defaulters.

I. Litigation against and contingent liabilities of our Company

A. Contingent liabilities not provided for as of September 30, 2007.

Contingent Liabilities	Amount *(Rs. in million)*
Bank guarantees executed in favour of NHAI and others	1,663.61
Disputed demand of Income Tax Authorities for which Appeal pending before the Commissioner, Income Tax (Appeals), Agra	43.26
Disputed demand of Central Excise Department for Service Tax	16.73

B. Pending litigation against our Company

1. Criminal cases

a) Mr. Neeraj has filed a claim (No. 216/2007) against our Company and the New India Insurance Company Limited before the Motor Accident Claim Tribunal ("MACT"), Etawah under sections 279, 338 and 427 of the Indian Penal Code, 1973 ("IPC") and section 163A of the Motor Vehicle Act, 1988 ("Motor Vehicle Act") claiming compensation for personal injuries suffered by him due to an accident caused by a driver of our Company. He has claimed an amount of Rs. 0.67 million as compensation. The matter is currently pending and the next date of hearing has not been fixed.

b) Mr. Kalwa has filed a claim (No. 753/2006) against our Company and New India Assurance Company Limited, before the MACT, Meerut under sections 140 and 166 of the Motor Vehicle Act read with section 279, 337 and 338 of the IPC, claiming compensation for the death of his son on account of an accident caused by a vehicle of our Company. He has claimed an amount of Rs. 0.79 million as compensation. The matter is currently pending and the next date of hearing has not been fixed.

2. Income tax cases

The Assessing Officer, Income Tax Department ("IT Department"), Agra, vide assessment order dated March 30, 2006 raised a demand of Rs. 12.90 million, on us for the assessment year 2003-2004 and issued a demand notice on April 1, 2006 alleging concealment of certain particulars of income and furnishing inaccurate particulars of such income, against the return filed for income of Rs. 15.87 million. Aggrieved by the said assessment order we have filed an appeal (No. CIT(A)-II, Agra/139) before the Commissioner of Income Tax (Appeals) ("CIT Appeals"). The hearing on the matter has since been completed and the order of the CIT Appeals is awaited.

3 Excise/ Service Tax cases

a) The Additional Commissioner, Central Excise Commissionerate ("CEC"), Panchkula vide order dated March 14, 2007 imposed service tax of Rs. 2.62 million along with interest and penalty as applicable for evasion of service tax on the amount of Rs. 29.94 million received by our Company from the NHAI for collection of toll at the Karnal Toll Plaza during the period from July 1, 2003 to March 31, 2005 under the Service Tax Rules, 1994 ("ST Rules"). Aggrieved by the said order, we have filed an appeal (No. 80/Appeal/S.Tax/PKL/Delhi-I/2007) before the Commissioner of Central Excise (Appeals) ("CCE Appeals"), Gurgaon vide letter dated June 20, 2007 requesting for waiver of pre-deposit of the demand of service tax along with interests imposed. The matter is currently pending and the next date of hearing has not been fixed.

b) The Additional Commissioner, CEC, Panchkula vide order dated March 14, 2007 had imposed service tax of Rs.1.45 million along with interest and penalty as applicable for evasion of service tax on the amount of Rs. 1.47 million received monthly by our Company from the NHAI as remuneration for collection of toll at the Karnal Toll Plaza during the period from April 1, 2005 to January 31, 2006 under the ST Rules. Aggrieved by the said order, we have filed an appeal (No. 81/Appeal/S.Tax/PKL/Delhi-I/2007) before the CCE Appeals, Gurgaon vide letter dated June 20, 2007 requesting for a waiver of the pre-deposit of the demand of the service tax along with interests imposed. The matter is currently pending and the next date of hearing has not been fixed.

c) The Additional Commissioner, CEC, Panchkula had issued a show cause notice-cum-demand dated February 27, 2007 against our Company for evading service tax amounting to Rs. 0.23 million on the remuneration of Rs.1.47 million per month received from the NHAI for collection of toll at the Karnal Toll Plaza during the period from February 1, 2006 to March 19, 2006 under the ST Rules. Our Company vide letter dated March 19, 2007 replied to the above show cause notice. No personal hearing with the additional Commissioner of Service Tax has been held. The matter is currently pending and the next date of hearing has not been fixed.

d) The Additional Commissioner, Central Excise and Customs, Chandigarh had issued a show cause notice-cum-demand dated December 15, 2006 against our Company for evading service tax on the remuneration of Rs.1.43 million per month received from the NHAI for collection of toll at the Shambhu Toll Plaza during the period from July 1, 2003 to January 31, 2006. Our Company vide letter dated July 28, 2007 replied to the show cause notice and a personal hearing with the Additional Commissioner of Service Tax was held on February 15, 2007. The Additional Commissioner, CEC, Chandigarh then passed an order dated April 3, 2007 imposing service tax of Rs. 4.06 million along with interests and other charges as applicable. Aggrieved by the said order we have filed an appeal vide letter dated July 27, 2007 requesting a waiver of the pre-deposit of the demand imposed. The Additional Commissioner vide order dated August 27, 2007 imposed a deposit of Rs. 1.50 million as service tax and Rs. 1.00 million as penalty on us. The appeal was rejected on September 20, 2007 on the basis of non-payment of the said deposit. Aggrieved by the said order, we have filed an appeal before the Customs, Excise and Service Tax (Appellate) Tribunal, New Delhi ("CESTAT") (No. 717/2007) on December 12, 2007. The matter is currently pending and the next date of hearing has not been fixed.

e) Our Company has filed various refund applications on Form R under Rule 173 S of the erstwhile Excise Rules, 1944 ("Excise Rules") for amounts as exemptions on duty payable on high speed diesel purchased for applicable periods vide Notification No. 108/1995 dated September 28, 1995 (the "Notification") issued by the Central Excise Department ("CED"). Details of the status of refund applications are as follows:

(i) The Assistant Commissioner, CED, Aligarh vide its order dated January 13, 2006 rejected our claim filed on January 28, 2005, for a refund of Rs. 0.54 million for the period from May 1, 2003 to October 31, 2003, in toto under Section 11B of the Central Excise Act, 1944 ("CEA") on certain technical grounds. Aggrieved by said order we have filed an appeal (Appeal Ref. No. 65/2006) before the CCE Appeals, Lucknow on June, 29, 2006 on same grounds. Our appeal was rejected as it was barred by limitation. Aggrieved by the said order we have filed an appeal before the CESTAT, New Delhi on September 14, 2006. The matter is currently pending and the next date of hearing has not been fixed.

(ii) The Assistant Commissioner, CED, Aligarh vide its order dated April 28, 2006 rejected our claim filed on March 29, 2005, for a refund of Rs. 0.09 million for the period of November 2003 filed, under Section 11B of the CEA on certain technical grounds. Aggrieved by the said order we filed an appeal (Appeal Ref. No. 134/2006) before the CCE Appeals, Lucknow on October 27, 2006 for a refund of Rs. 0.09 million on the same grounds and that Section 11B of the CEA does not prohibit such refund. Our appeal was rejected on certain technical grounds on February 23, 2007. Aggrieved by the order dated February 23, 2007 we have filed an appeal before the CESTAT, New Delhi (Appeal Ref. No. E/967/2007) on May 8, 2007 for the refund of Rs. 0.09 million on the same grounds. The matter is currently pending and the next date of hearing has not been fixed.

(iii) The Assistant Commissioner, CED, Aligarh vide its orders dated April 28, 2006 rejected our claims, for a refund of Rs. 0.07 million, 0.05 million and Rs. 0.03 million for the period of December 2003, January 2004 and February 2004 respectively filed on March 29, 2005, under Section 11B of the CEA on certain technical grounds. Aggrieved by the said orders we filed appeals (Appeal Ref. No. 131/2006), (Appeal Ref. No. 132/2006) and (Appeal Ref. No. 133/2006) respectively before the CCE Appeals, Lucknow on October 27, 2006 for the refunds on the same grounds and that Section 11B of the CEA does not prohibit such refund. Our appeals were rejected on certain technical grounds on February 23, 2007. Aggrieved by the orders we have filed appeals before the CESTAT, New Delhi on May 8, 2007 (Appeal Ref. No. E/967/2007), (Appeal Ref. No. E/967/2007) and (Appeal Ref. No. E/967/2007), respectively for the refund on the same grounds. The matter is currently pending and the next date of hearing has not been fixed.

(iv) The Assistant Commissioner vide order dated August 20, 2007 rejected our claim filed on February 15, 2007, for the refund of Rs. 0.15 million for the period from February 1, 2006 to March 31, 2006. Aggrieved by the said order we have filed an appeal (Appeal Ref. No. 169/07) before the CCE Appeals on November 17, 2007 on the same grounds. The matter is currently pending and the next date of hearing has not been fixed.

(v) Our Company has received notices dated November 6, 2007 from the Assistant Commissioner, CED, Aligarh requiring us to show cause as to why our claims for refund of, (i) Rs. 1.30 million filed on April 17, 2007 for the period from April 1, 2006 to December 31, 2006 and (ii) Rs. 1.72 million filed on August 24, 2007 for the period from August 1, 2006 to March 31, 2007, should not be rejected. Our Company has filed the replies vide letters dated November 9, 2007. The matter is currently pending and the next date of hearing has not been fixed.

(vi) Our Company has received a notice from the Assistant Commissioner, CED, Aligarh dated November 2, 2007 requiring us to show cause as to why our claim filed on August 24, 2007 for refund of Rs. 0.51 million for the period from September 1, 2006 to February 1, 2007, should not be rejected. Our Company has filed the reply vide letter dated November 9, 2007. The matter is currently pending and the next date of hearing has not been fixed.

(vii) Our Company had filed a refund application for an amount of Rs. 0.52 million for the period from January 1, 2007 to March 31, 2007. The matter is currently pending before the Assistant Commissioner, Central Excise Division, Aligarh and the next date of hearing has not been fixed.

f) Our Company had filed a refund application on Form R under Rule 173 S of the erstwhile Excise Rules on January 27, 2005 for an amount of Rs. 2.55 million as exemption on duty payable on bitumen for the period from April 1, 2003 to February 28, 2004 vide the Notification. The Assistant Commissioner, CED, Aligarh vide its order dated May 17, 2005 rejected our claim under Section 11B of the Central Excise Act, 1944 ("CEA") on certain technical grounds. Aggrieved by the said order we filed an appeal (Appeal Ref. No.23/2006) before the CCE Appeals, Lucknow on September 10, 2005 for a refund of Rs.2.55 million on the same grounds and that Section 11B of the CEA does not prohibit such refund. Our appeal was rejected on certain technical grounds on February 27, 2006. Aggrieved by the order dated February 27, 2006 we have filed an appeal before the CESTAT (Appeal Ref. No. 1873/2006) on May 19, 2006 for a refund of Rs.2.55 million on the same grounds. The matter is currently pending and the next date of hearing has not been fixed.

g) Our Company had filed a refund application on Form R under Rule 173 S of the erstwhile Excise Rules on January 1, 2005 for a refund of Rs. 0.49 million for the period June 11, 2003 to July 9, 2003 vide the Notification. The Assistant Commissioner, CED, Aligarh vide its order dated May 17, 2005 rejected our claim in toto under Section 11B of the CEA on certain technical grounds. Aggrieved by the said order we filed an appeal (Appeal Ref. No. 2268/2006) before the CCE Appeals, Lucknow on the same grounds. Our appeal was rejected as it was barred by limitation. Aggrieved by the order we have filed an appeal (Appeal Ref. No. 1873/2006) before the CESTAT, New Delhi on May, 29 2006. The matter is currently pending and the next date of hearing has not been fixed.

4. *Motor accident claims*

a) Mr. Yogender Pal had filed a claim (No. 414/1995) against our Company, before the MACT, Etawah under the Motor Vehicle Act claiming compensation of Rs. 0.57 million for disability and injuries caused due to an accident by a vehicle of our Company. The MACT vide it order dated August 19, 1999 granted compensation of Rs. 0.09 million with interest at the rate of 12% from the date of institution of claim by the claimant. Aggrieved by the said order, the claimant has filed an appeal before the High Court of Uttar Pradesh, Allahabad (No. 784/1999) under section 173 of the Motor Vehicle Act claiming that the compensation granted by the MACT was meagre and claimed an amount of Rs. 0.57 million as compensation be awarded. The appeal is currently pending and the next date of hearing has not been fixed.

b) Ms. Ishwari Devi had filed a claim (No. 337/2000) against our Company and the New India Assurance Company Limited before the MACT, Allahabad claiming compensation of Rs. 0.70 million for injuries sustained on account of an accident caused by a driver of our Company. The MACT, vide its order dated April 20, 2006 allowed the applicant’s claim. Aggrieved by the said order, we have filed an appeal (No. 1794 of 2006) before the High Court of Allahabad. The appeal is currently pending and the next date of hearing has not been fixed.

c) Ms. Mahila Mamta had filed a claim (No. 191/2001) against our Company, before the MACT, Gwalior under sections 140 and 166 of the Motor Vehicle Act claiming compensation of Rs. 4.74 million for the death of her husband caused due to an accident by a vehicle of our Company. The MACT, vide its order dated July 12, 2002, granted a compensation of Rs. 0.20 million. Aggrieved by the said order, she has filed an appeal (No. 680/2002) before the High Court of Madhya Pradesh, Jabalpur under section 173 of the Motor Vehicle Act claiming that the compensation granted by the tribunal was meagre and an amount of Rs. 0.68 million as compensation be awarded. The appeal is currently pending and the next date of hearing has not been fixed.

d) Ms. Seema Baghel had filed a claim (No. 51/2005) against our Company, before the MACT, Gwalior under sections 140 and 166 of the Motor Vehicle Act claiming compensation of Rs. 0.48 million for the death of her husband caused due to an accident by a vehicle of our Company. The MACT, vide its order dated November 26, 2005, granted a compensation of Rs. 0.15 million. Aggrieved by the said order, she has filed an appeal (No. 294/2006) before the High Court of Madhya Pradesh under section 173 of the Motor Vehicle Act claiming that the compensation granted by the tribunal was meagre and an amount of Rs. 0.48 million as compensation be awarded. The appeal is currently pending and the next date of hearing has not been fixed.

e) Mr. Narvir Singh has filed a claim (No. 105/2005) against our Company and the New India Insurance Company Limited before the MACT, Delhi under sections 166 and 140 of the Motor Vehicle Act claiming for compensation, for injuries suffered and for mental agony due to an accident caused by a driver of our Company. He has claimed an amount of Rs. 1 million as compensation. The matter is currently pending and the next date of hearing is January 15, 2008.

f) Ms. Ramvati has filed a claim (No. 732/2006) against our Company before the MACT, Etawah claiming for compensation under section 16 of the Motor Vehicle Act as her son had expired due to an accident caused by a driver of our Company. She has claimed an amount of Rs. 1.35 million as compensation. The matter is currently pending and the next date of hearing is January 17, 2008.

g) Ms. Bala Devi has filed a claim (No. 10/2007) against our Company and New India Assurance Company Limited before the MACT, Bagpat, under sections 140 and 166 of the Motor Vehicle Act claiming compensation on account of her son expiring due to an accident caused by a vehicle of our Company. She has claimed an amount of Rs. 2.34 million against us. The matter is currently pending and the next date of hearing is February 15, 2008.

h) Ms. Rekha Devi has filed a claim (No. 23/2007) against our Company before the MACT, Etawah under sections 166 and 163A of the Motor Vehicle Act claiming compensation, on account of her husband expiring due to an accident caused by a vehicle of our Company. She has claimed an amount of Rs.

1.95 million along with interest at the rate of 18% per annum as compensation. The matter is currently pending and the next date of hearing is January 15, 2008.

i) Ms. Krishna Devi has filed a claim (No. 22/2007) against our Company before the MACT, Etawah under sections 166 and 163A of the Motor Vehicle Act claiming compensation, on account of her husband expiring due to an accident caused by a vehicle of our Company. She has claimed an amount of Rs. 2.20 million as compensation. The matter is currently pending and the next date of hearing is January 15, 2008.

j) Mr. Member Singh has filed a claim (No. 626/2007) against our Company before the MACT, Etawah under sections 140 and 166 of the Motor Vehicle Act claiming compensation for grievous injuries suffered by a minor son, Vidyaram, due to an accident caused by a vehicle of our Company. He has claimed an amount of Rs. 0.55 million along with interest at the rate of 12% per annum as compensation. The matter is currently pending and the next date of hearing is January 15, 2008.

k) Mr. Sudhar Singh has filed a claim (No. 627/2007) against our Company before the MACT, Etawah under sections 140 and 166 of the Motor Vehicle Act claiming compensation for grievous injuries suffered by him, due to an accident caused by a vehicle of our Company. He has claimed an amount of Rs. 0.85 million as compensation. The matter is currently pending and the next date of hearing is January 15, 2008.

l) Ms. Mohar Shri has filed a complaint (No. 721/2007) before the MACT, Etawah, against our Company on October 23, 2007, claiming compensation of Rs. 1.53 million for economic loss and mental anguish owing to the death of the complainant's son in a motor vehicle accident involving a vehicle of our Company and an interim relief of Rs. 0.05 million on account of economic hardships faced. The matter is currently pending and the next date for hearing is January 15, 2008.

m) Ms. Naushin Begum has filed a complaint (No. 334/2007) before the MACT, Moradabad, against our Company on October 25, 2007 claiming compensation of Rs. 5.20 million along with interest at the rate of 18% per annum for the death of her husband caused due to accident by a vehicle of our Company. The matter is currently pending and the next date of hearing is January 15, 2008.

n) Mr. Hari Shankar Sharma has filled a claim against our Company before the MACT, Sagar (No. 73 /2007) under section 140 and 166 of Motor Vehicle Act claiming compensation due to an accident caused by a vehicle of our Company. He has claimed an amount of Rs. 0.05 million as compensation. The matter is currently pending and the next date of hearing is January 28, 2008.

o) Mr. Devi Dayal has filed a claim against our Company before the MACT, Bhind (No. 16/2007) under section 166 of the Motor Vehicle Act claiming compensation of Rs. 2.59 million for the death of his wife due to an accident caused by a vehicle of our Company and towards cost incurred for the last rites of his wife. The matter is currently pending and the next date of hearing is January 15, 2008.

4. *Labour and other civil litigation*

a) Mr. Meetu had filed a claim (No. 499/2001) against our Company before the District Judge, Workmen's Compensation Commissioner ("WCC"), Meerut claiming compensation of Rs. 0.10 million for injuries incurred to his right hand caused during the course of his employment. The WCC, Meerut vide its order dated February 26, 2001, granted the above claim. Aggrieved by the said order, we have filed an appeal (No. 25/1999) before the High Court of Allahabad. The appeal is currently pending and the next date of hearing has not been fixed.

b) Mr. Ram Niwas and others filed a suit (No. 1114/2003) against our Company before the Civil Judge, Junior Division, Agra claiming, *inter alia*, that our Company had illegally encroached upon their cultivable land, for building adjoining road and has claimed for damages amounting to Rs. 0.35 million. The matter is currently pending before the Civil Judge, Agra and the next date of hearing is February 8, 2008.

c) Industrial and Education Institute Office and Mr. Gopal Singh Negi filed a suit (No. 264/2007) against our Company before the Civil Judge, Senior Division, Dehradun, seeking permanent injunction and restraint order against our Company or our agents from entering the land, encroaching upon or damaging the crops etc. The matter is currently pending before the Civil Judge, Dehradun and the next date of hearing is January 17, 2008.

d) Ms. Mamta Devi has filed a suit (No. 71/2007) against our Company before the WCC, Etawah under the Workmen's Compensation Act, 1923 ("WC Act") claiming a compensation of Rs. 0.21 million as her husband, Mr. Abhiram, an employee of our Company expired due to food poisoning in the food provided by our Company during the course of his employment. The matter is currently pending and the next date of hearing is January 29, 2008.

e) Ms. Raman Devi has filed a claim (No. 16/WC/2007) against our Company before the WCC, Ambala claiming compensation amounting to Rs. 4,500 per month under the PWA on account of the death of her husband due to an accident caused by a driver of our Company during the course of his employment. The matter is currently pending and the next date of hearing is January 21, 2008.

f) Mr. Bechelal has filed a suit (No. 74/2007) against our Company before the WCC, Etawah under the WC Act claiming a compensation of Rs. 0.27 million with interest at the rate of 12% per annum, as his son, Mr. Pratap Singh, an employee of our Company expired due to food poisoning in the food provided by our Company during the course of his employment. The matter is currently pending and the next date of hearing is January 29, 2008.

g) Ms. Parmila Devi has filed a suit (No. 12/2006) against our Company, among others, before the WCC, Karnal under the WC Act claiming a compensation of Rs. 1.00 million along with interst at the rate of 24% per annum from the date of accident till the date of final realization, as her husband, an employee of one of our contractors had expired due to brain haemorrhage owing to long and continuous work during the course of his employment. The matter is currently pending and the next date of hearing is January 27, 2008.

C. Pending litigation by our Company

1. Criminal cases

a) Our Company has filed a suit against Mr. Hari Singh Barad and others before the Special Chief Judicial Magistrate, Agra (No. 301 of 2007) under sections 138 and 142 of the Negotiable Instruments Act, 1881 ("NI Act") read with section 420 of the IPC, on April 6, 2007, claiming an amount of Rs. 6.40 million for dishonour of cheque dated January 1, 2007 issued in relation to specific performance of a contract executed for the building of a road. The matter is currently pending and the next date of hearing is February 15, 2008.

b) Our Company has filed a suit against Mr. Hari Singh Barad and others before the Special Chief Judicial Magistrate, Agra (No. 370 of 2007) under sections 138 and 142 of the NI Act, 1881 read with section 420 of the IPC on April 6, 2007, claiming an amount of Rs. 6.40 million for dishonour of cheque dated February 1, 2007 issued in relation to specific performance of a contract executed for the building of a road. The matter is currently pending and the next date of hearing is February 15, 2008.

2. Civil cases

a) Our Company has filed a writ petition (No. 41326 of 2006) before the High Court of Allahabad, against the Public Works Department ("PWD"), Uttar Pradesh, for payment of Rs. 5.12 million against certain work executed for PWD during the period from November 1, 2000 to March 5, 2002. The High Court, vide order dated October 2, 2006, has directed PWD to file its reply within one month. The matter is currently pending and the next date of hearing has not been fixed.

3. Arbitration matters

Our Company has initiated arbitral proceedings against the NHAI, vide original claim dated March 2, 2007, claiming compensation of Rs.100.44 million for loss incurred due to the delay in commencement of work, failure to handover possession of the site in terms of the agreement, removal of the hindrances /obstructions at the site etc. in relation to the contract for four laning of Agra-Dholpur Section of N.H.-3 in the state of Uttar Pradesh / Rajasthan, the North-South & East-West Corridors Project (Phase-III) and compensation of Rs. 22.34 million for the settlement of final accounts between the parties. The matter is currently pending and the next date of hearing has not been fixed.

D. Pending litigation against our Joint Ventures

1. Excise Cases

Our Company (on behalf of NCC-PNC JV) had filed various refund applications vide Form R under Rule 173 S of the erstwhile Excise Rules for amounts as exemptions on duty payable on high speed diesel purchased for applicable periods vide the Notification. Details of the status of the refund applications are provided below:

a) The Assistant Commissioner, CED, Aligarh vide its order dated June 25, 2007 rejected our claim filed on November 4, 2005, for a refund of Rs. 0.25 million for the period from February 21, 2005 to March 31, 2005, in toto under section 11B of the CEA on certain technical grounds, *inter alia* the amount mentioned on the certificate not tallying with the claim. Aggrieved by the said order, our Company has filed an appeal (No. NCCPNC/CE/Appeal/LKO/07-08/7627) before the CCE Appeals, Lucknow for a refund of Rs. 0.25 million on the same grounds and that Section 11B of the CEA does not prohibit such refund. The CCE Appeals rejected the appeal vide order (No. 160CE/2007) dated November 16, 2007.

b) The Assistant Commissioner, CED, Aligarh vide its order dated July 2, 2007 rejected our claim filed on February 25, 2006, for a refund of Rs. 0.98 million for the period from April 6, 2005 to June 25, 2005, in toto under section 11B of the CEA on certain technical grounds, *inter alia* the certificate showing the purchase of high speed diesel oil is a photocopy which is not authenticated. Aggrieved by the said order we have filed an appeal (NCCPNC/CE/Appeal/ LKO/07-08/7633) before the CCE Appeals, Lucknow on August 20, 2007 for a refund of Rs. 0.98 million on the same grounds and that Section 11B of the CEA does not prohibit such refund. The CCE Appeals rejected the appeal vide order (No. 161CE/2007) dated November 16, 2007.

c) The Assistant Commissioner, CED, Aligarh vide its order dated July 10, 2007 rejected the claim filed on June 9, 2006, for a refund of Rs. 0.48 million for the period from the period from July 11, 2005 to September 30, 2005, in toto under Section 11B of the CEA on certain technical grounds. Aggrieved by the said order dated we have filed an appeal (NCCPNC/CE/Appeal/LKO/07-08/7632) before the CCE Appeals, Lucknow on August 20, 2007 for a refund of Rs. 0.48 million on the same grounds and that Section 11B of the CEA does not prohibit such refund. The CCE Appeals rejected the appeal vide order (No. 162CE/2007) dated November 16, 2007.

d) The Assistant Commissioner, CED, Aligarh vide its order dated August 10, 2007 rejected our claim filed on September 13, 2006, for a refund of Rs. 0.50 million for the period of October 2005, in toto under Section 11B of the CEA on certain technical grounds, *inter alia* the short receipt of a certain amount of money. Aggrieved by the said order dated we have filed an appeal (NCCPNC/CE/Appeal/ LKO/07-08/7630) before the CCE Appeals, Lucknow on August 20, 2007 for Rs. 0.50 million on the same grounds and that Section 11B of the CEA does not prohibit such refund. The CCE Appeals rejected the appeal vide order (No. 163CE/2007) dated November 16, 2007.

e) The Assistant Commissioner, CED, Aligarh vide its order dated August 2, 2007 rejected our claim filed on September 13, 2006, for a refund of Rs. 0.50 million for the period of November 2005, in toto under Section 11B of the Central Excise Act, 1944 on certain technical grounds, *inter alia* the short receipt of a certain amount of raw material. Aggrieved by the said order we have filed an appeal (NCCPNC/CE/Appeal/ LKO/07-08/7631) before the CCE Appeals, Lucknow on August 20, 2007 for a refund of Rs. 0.50 million on the same grounds and that Section 11B of the CEA does not prohibit such refund. The CCE Appeals rejected the appeal vide order (No. 164CE/2007) dated November 16, 2007.

f) The Assistant Commissioner, CED, Aligarh vide its order dated August 7, 2007 rejected our claim for refund filed on September 15, 2006, for an amount of Rs. 0.70 million for the period December 2005, in toto under Section 11B of the CEA on certain technical grounds. Aggrieved by the said order we have filed an appeal before the CCE Appeals, Lucknow (NCCPNC/CE/Appeal/ LKO/07-08/ 7629) on August 20, 2007 for a refund of Rs. 0.70 million on similar grounds and that Section 11B of the CEA does not prohibit such refund. The CCE Appeals rejected the appeal vide order (No. 165CE/2007) dated November 16, 2007.

g) The Assistant Commissioner, CED, Aligarh vide its order dated July 18, 2007 rejected our claim filed on November 28, 2006, for a refund of Rs. 2.02 million for the period from January 21, 2005 to March 31, 2006, in toto under Section 11B of the CEA on certain technical grounds. Aggrieved by the said order we have filed an appeal before the CCE Appeals, Lucknow (NCCPNC/CE/Appeal/ LKO/07-08/ 7628) on August 20, 2007 for a refund of Rs. 2.02 million on same grounds and that Section 11B of the CEA does not prohibit such refund. The CCE Appeals rejected the appeal vide order (No. 166CE/2007) dated November 16, 2007.

h) Our Company has received a notice dated October 31, 2007 from the Assistant Commissioner, CED, Aligarh requiring us to show cause as to why our claim for refund filed April 17, 2007 of Rs. 4.24 million for the period from April 1, 2006 to December 31, 2006 should not be rejected. Our Company has filed the reply vide letter dated November 9, 2007. The matter is currently pending and the next date of hearing has not been fixed.

i) The refund application for an amount of Rs. 0.69 million for the period from January 1, 2007 to March 31, 2007 is pending before Assistant Commissioner Central Excise Division, Aligarh, next date of hearing has not been fixed.

II. Pending litigation against our Directors

1. Income Tax Cases

The IT Department issued an assessment order dated March 28, 2005 against our director, Mr. Naveen Kumar Jain, disallowing the entry of Rs. 0.47 million under the head '*Long Term Capital Gains*' and computed the taxable income to be Rs. 1.25 million. Aggrieved by the said order, Mr. Naveen Kumar Jain has filed an appeal (No. CIT(A)-II/Agra/67) before the CIT Appeals, Agra. The matter is currently pending and the next date of hearing has not yet been fixed.

2. Motor Accident Claim

Ms. Ratni has filed a claim against, among others, two of our Directors before the MACT, Sonipat (No. 41/2007) under sections 140 and 166 of the Motor Vehicle Act claiming compensation of Rs. 1.5 million along with costs and interst at the rate of 18% per annum from the date of filing of the claim petition till the actual realisation of the compensation amount, for the death of her husband caused due to an accident by a tanker owned by one of the Directors of our Company. The matter is currently pending and the next date of hearing is January 15, 2008.

III. Pending litigation against our Promoter Group companies

1. Consumer Cases

a) Mr. Ladli Prasad has filed a complaint (No. 113/2003) against PNC Cold Storage Private Limited before the District Consumer Protection Forum, Agra, under section 12 of the Consumer Protection Act, 1986 claiming compensation of Rs. 0.18 million for having sold the 234 quintals, 85 kilograms of potatoes, which were deposited with PNC Cold Storage Private Limited for cold storage and realising the sale proceeds thereof. The matter is currently pending and the next date of hearing is February 14, 2008.

E. The Company has not been in possession of information regarding dues exceeding a sum of rupees one lakh to the small scale industries and hence the same information has not been incorporated. The management is of the opinion that there are no small scale undertakings.

IV. MATERIAL DEVELOPMENTS

Except as stated in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations on an Unconsolidated Basis," on page 120 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or our ability to pay material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue its business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

I. Approvals for the Issue

The Board of Directors has, pursuant to resolution passed at its meeting held on September 22, 2007 authorised the Issue, subject to the approval by the shareholders of the Company under section 81 (1A) of the Companies Act.

The shareholders of our Company have, pursuant to a resolution dated October 1, 2007 under Section 81(1A) of the Companies Act, authorised the Issue.

The Board of Directors has, pursuant to a resolution dated September 22, 2007 authorised a committee of its Directors, referred to as the IPO Committee, to take decisions relating to the Issue on behalf of the Board of Directors.

II. Approvals for the Company's business

Our Company has obtained several approvals, licenses and permissions from various Government and other regulatory authorities in relation to our business. These approvals include, among others, the following:

Registration/Approval	Reference No.	Date of Issue/ Renewal	Expiry date	Issuing Authority
PAN	AACCP0377 Q	August 9, 1999	Not applicable	Income Tax Department, Government of India
TAN	AGRP10035E	November 23, 2001	Not applicable	Income Tax Department, Government of India
Certificate of registration under the Uttar Pradesh Trade Tax Act, 1948 and Uttar Pradesh Trade Tax Rules, 1948.	TIN 09902503465	January 11, 2004	Valid until cancelled	Assistant Commissioner, Trade Tax Officer, Sector – 14 Agra
Certificate of registration under the Rajasthan Sales Tax Act, 1954	TIN 08860951698	September 29 2001	Valid until cancelled	Commercial Tax Officer, Dholpur, Rajasthan
Certificate of registration issued under the Madhya Pradesh VAT Act, 2002	TIN 23025305903	October 11, 2002	Valid until cancelled	Assistant Commissioner Commercial Tax , Circle Three, Gwalior, Madhya Pradesh
Certificate of registration issued under the Punjab General Sales Tax Act, 1957	TIN 03751040499	March 6, 2003	Valid until cancelled	Assistant Excise and Taxation Officer, Assessing Authority, Ludhiana, Punjab
Certificate of registration issued under the Haryana VAT Act, 2003	TIN 06982230707	June 18, 2003	Valid until cancelled	Assistant Excise and Taxation Officer, Assessing Authority, Karnal
VAT Composition Registration Certificate under the Karnataka VAT Act, 2003	TIN 29210483975	April 22, 2006	Valid from Jauary 1, 2006, until cancelled	Assistant Commissioner of Commercial Tax, Local Tax Office, Bidar
Certificate of registration under the Uttrakhand VAT Act, 2005.	TIN 05001614493	March 9, 2005	Valid until cancelled	Assistant Commissioner Trade Tax, Sector - 2 Haldwani.
Certificate of registration under the Maharashtra VAT Act, 2002.	TIN 2792065286	September 1, 2007.	Valid until cancelled	Sales Tax Officer Enforcement, - Registration - 6 Mumbai.

Registration/Approval	Reference No.	Date of Issue/ Renewal	Expiry date	Issuing Authority
Certificate of registration under Uttar Pradesh Trade Tax Act, 1948 issued to PNC-BEL (JV)	State Registration No. AG-0400 188 Central Registration No. AG-530 4997 TIN 09902503465	Effective from March 1, 2005	Valid until cancelled	Deputy Commissioner, Trade Tax Office, Trade Tax Agra.
Approval under the Water (Pollution Prevention and Control) Act, 1974 and Air (Pollution Prevention and Control) Act, 1981 for the stone crushing unit located at Haldwani	U.E.P.P.C.B./ N.O/Permission/P-5/1600-5444	April 1, 2007	March 31, 2008	Uttranchal Environment Protection and Pollution Control Board
License granted for contract labour for civil construction work of strengthening and four laning of existing two lane Etawah Bypass in NH – 2, under the CLRA*	K-46(L-107)/2007-	June 26, 2007	June 25, 2008	Licensing Officer and Assistant Labour Commissioner, Ministry of Labour and Employment, Government of India.
License granted for contract labour for civil construction work of strengthening of NH-24 to four lane standards from Garhmukteshwar to Moradabad. under the CLRA**	D-34(57)/2005/ ALC/LIC	November 27, 2007	November 27, 2008	Licensing Officer and Asstt. Labour Commissioner, Ministry of Labour and Employment, Government of India.
License granted for construction of a new runway at Jolly Grant Airport, Dehradun under the BOCWA***	D-34(34)/LIC/2007/ALC	March 26, 2007	March 25, 2008	Licensing Officer and Asstt. Labour Commissioner, Ministry of Labour and Employment, Government of India.
Recognition accorded to our Company for their registration of Employee EPFA.	EPF\SRO\Agra\ENF\UP\38582	April 1, 2006	Not applicable	Assistant Provident Fund Commissioner, Agra
Recognition accorded to our Company for the registration of Employees State Insurance under theESIA.	C-1-1415/2006/61-62- Employers Code: 21-24874-67	December 26, 2006	Not applicable	Deputy Director of the Employee State Insurance Corporation.
Recognition awarded to our Company for the registration under the Uttar Pradesh Shops and Commercial Establishments Act, 1962.	027744	October 26, 2006	October 26, 2011	Inspector, Uttar Pradesh Shops and Establishments
License granted for the storage of 40 KL of petroleum Class B at KM 116 of NH -24, Jyotiba Phule Nagar, Uttar Pradesh under the Explosives Act, 1884.	P/HQ/UP/15/ 4454(P146073)	July 12, 2005	December 31, 2008	Deputy Chief Controller of Explosives
Approval granted for the storage of 40 KL of furnace oil/LDO Class C at KM 116 of NH -24, Jyotiba Phule Nagar, Uttar Pradesh under the Explosives Act, 1884.	A/P/HQ/UP/15/4617(P146076)	March 10, 2005	Not applicable	Deputy Chief Controller of Explosives
License granted for the storage of 40 KL of Class B Petroleum at On Porsa, Mehgaon, Bhind, Madhya Pradesh	P/CC/MP/14/ 4738/(P177017)	October 20, 2006	December 31, 2008	Deputy Chief Controller of Explosives

Registration/Approval	Reference No.	Date of Issue/ Renewal	Expiry date	Issuing Authority
(Project Road No. 9) under the Explosives Act, 1884.				
License granted for the storage of 20 KL of Class B Petroleum at Dehradun-Rishikesh, Village Jolly Grant, Dehradun for the expansion of the Airport under the Explosives Act, 1884.	P/CC/UC/14/ 724(P189258)	February 5, 2007	December 31, 2008	Deputy Chief Controller of Explosives
Approval granted for the storage of 40 K.L. of Class C Furnace Oil/ LDO at Dehradun-Rishikesh, Village Jolly Grant, Dehradun for the expansion of the Airport under the Explosives Act, 1884.	A/P/CC/UC/1 5/260(P19145 0)	January 31, 2007	Not applicable	Deputy Chief Controller of Explosives
License granted to our Company for the storage of 20 KL of class B petroleum at Kasgang to Hathras Road, Khasra No. 662 Mahamayanagar under the Explosives Act, 1884.	P/CC/UP/14/5 108(P163678)	February 2, 2006	December 31, 2008	Deputy Chief Controller of Explosives
Approval accorded to our Company for the storage of 20 KL of Furnace Oil/LDO at Kasgang to Hathras Road, Khasra No. 662 Mahamayanagar, Uttar Pradesh under the Explosives Act, 1884.	A/P//HQ/UP/ 15/4745(P162 814)	October 24, 2005	Not applicable	Deputy Chief Controller of Explosives
License granted to our Company to store 40 K.L. of Class B Petroleum at Etawah Bypass Road, NH-2 Khasra No. 65, Etawah, Uttar Pradesh under the Explosives Act, 1884.	P/CC/UP/14/5 310(P168936)	April 19, 2006	December 31, 2008	Deputy Chief Controller of Explosives
Approval accorded to our Company to store 20.K.L. of Class C Furnace Oil at Etawah Bypass Road, NH-2 Khasra No. 65, Etawah, Uttar Pradesh under the Explosives Act, 1884.	A/P/HQ/UP/1 5/4748(P1633 02)	October 28, 2005	Not applicable	Deputy Chief Controller of Explosives
License to our Company to store 20 K.L. of Class B Petroleum at Etah, Shikohabad Road, Khasra No 234, Firozabad, Uttar Pradesh under the Explosives Act, 1884.	P/CC/UP/14/5 436(P174438)	September 6, 2006	December 31, 2008	Deputy Chief Controller of Explosives
Approval granted to our Company for storage of 20 K.L. of Furnace Oil/LDO, Petroleum Class C at Etah, Shikohabad Road, Khasra No. 234, Firozabad, Uttar Pradesh under the Explosives Act, 1884.	A/P/HQ/UP/1 5/4814(P1763 23)	April 28, 2006	Not applicable	Deputy Chief Controller of Explosives

** The maximum number of labour that can be contracted to work must not exceed 200.*
*** The maximum number of labour that can be contracted to work must not exceed 400.*
**** The maximum number of labour that can be contracted to work must not exceed 100.*

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by the Board of Directors in their meeting on September 22, 2007, subject to the approval of shareholders through a special resolution to be passed pursuant to Section 81(1A) of the Companies Act. The shareholders approved the Issue at the AGM of our Company held on October 1, 2007.

Prohibition by SEBI

Neither we, nor our Directors or the Promoter or the Promoter Group Companies, or the directors of our Promoter or companies with which our Directors are associated with as directors or promoters, have 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.

Prohibition by RBI

Our Company, our Directors, our Promoters, the Promoter Group, the directors or the person(s) in control of the Promoter and companies in which our Directors are directors have not been declared as willful defaulters by RBI or any other governmental authorities.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Clause 2.2.1 of the SEBI Guidelines as described below:

a. Our Company has net tangible assets of at least Rs. 30,000,000 in each of the preceding three full years (of 12 months each), of which not more than 50% is held in monetary assets;
b. Our Company has a track record of distributable profits in terms of Section 205 of the Companies Act for at least three out of immediately preceding five years as detailed below;
c. Our Company has a net worth of at least Rs.10,000,000 in each of the preceding three full years (of 12 month each) prior to the Issue;
d. Our Company has changed its name from PNC Construction Company Limited to PNC Infratech Limited with effect from August 2, 2007. However the nature of business remained the same. Further 50% of the revenue as on September 30, 2007 is earned from the activity suggested by the new name.
e. The proposed Issue Size does not exceed five times the pre-Issue net worth as per the audited accounts for the Fiscal 2007; and
f. The net profit, dividend, net worth, net tangible assets and monetary assets for purposes of the eligibility criteria described above have been derived from the auditor's report included in this Draft Red Herring Prospectus under the section titled "Financial Statements" on page 94 of this Draft Red Herring Prospectus.

(Rs. in million)

Sl. No	Eligibility Criteria	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007
1.	Distributable profits, as per Section 205 of the Companies Act(1)	14.46	31.30	46.20	90.41	132.17
2.	Net worth(2)	99.46	209.10	380.34	541.87	674.07
3.	Net tangible assets(3)	146.87	274.26	539.46	1007.76	1309.79
4.	Monetary assets(4)	37.50	30.77	138.96	106.83	35.51
5.	Monetary assets as a percentage of the net tangible assets	25.53%	11.22%	25.76%	10.60%	2.71%

(1) 'Distributable profits' have been defined in terms of Section 205 of the Companies Act. Further we have not considered extra ordinary items for calculating distributable profits in terms of Section 205 of Companies Act, 1956.

(2) 'Net worth' has been defined as the aggregate of equity share capital and reserves, excluding miscellaneous expenditures, if any.

(3) *'Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.*
(4) *Monetary assets comprise of cash and bank balances, public deposit accounts with the Government.*

Further, the Issue is subject to the fulfillment of the following conditions as required by Rule 19(2)(b) of the SCRR:

- A minimum 2,000,000 Equity Shares (excluding reservations, firm allotments and promoters contribution) are offered to the public;

- The Net Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and

- The Issue is made through the Book Building method with allocation of 60% of the Net Issue size to QIBs as specified by SEBI.

Our Company undertakes that the number of Allottees in the Issue shall be at least 1,000. Otherwise, the entire application money shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15 % per annum for the period of delay.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO 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 DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, ENAM SECURITIES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES, 2000 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY 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 JANUARY 15, 2007 WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO 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 COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY:**

WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE 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 SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 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 HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

5. WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS 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 CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

7. WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD 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 COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE.

8. WHERE THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE 4.10 {SUB-CLAUSE (A), (B) OR (C), AS MAY BE APPLICABLE} ARE NOT APPLICABLE TO THE ISSUER – NOT APPLICABLE.

9. 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.

10. **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 SECTION 73(3) 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 EXCHANGES MENTIONED IN THE DRAFT RED HERRING 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.**

11. **WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE – NOT APPLICABLE.**

12. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE.**

13. **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 SHARES OF THE COMPANY 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.

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under section 63 or section 68 of the companies act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. The SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Draft Red Herring Prospectus with the Registrar of Companies, Uttar Pradesh and Uttaranchal in terms of 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, Uttar Pradesh and Uttaranchal in terms of section 56, section 60 and section 60B of the Companies Act.

Disclaimer from the Company and the BRLM

The Company, our Directors, and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in any advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, *www.pncinfratech.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 Memorandum of Understanding entered into among the BRLM and the Company dated January 14, 2008 and the Underwriting Agreement to be entered into among the Underwriter and the Company.

All information shall be made available by the Company 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 or at bidding centres or elsewhere.

Neither the Company nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to the Company, 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 the Company and will not Issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The 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 the 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, permitted insurance companies and pension funds and to permitted non residents including FIIs and Eligible NRIs. This Draft 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 this Draft 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 Uttar Pradesh, 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 this Draft Red Herring Prospectus has been filed with SEBI for observations. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft 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 this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares are being offered and sold outside the United States of America in compliance with Regulation S under the U.S. Securities Act, 1933.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended from time to time (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 of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Division of Issues and Listing, SEBI, Plot No. C-4A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

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 RoC located at 37/17, Westcott Building, The Mall, Kanpur 208 001, Uttar Pradesh, India.

Listing

Applications have been made to the NSE and BSE for permission to deal in and for an official quotation of our Equity Shares. [●] 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 the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within eight days after the Company becomes liable to repay it, i.e., from the date of refusal or within 70 days from the Bid Closing Date, whichever is earlier, then the Company and every Director of the 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 15.0% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within seven working days of finalisation of the Basis of Allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A 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.”

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, the Legal Advisor, the Banker(s) to the Issue and Escrow Collection Bank(s); and (b) the Book Running Lead Manager, Registrar 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 RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

The Auditors, Purushottam Agrawal & Co., Chartered Accountants, have given their written consent to the inclusion of their report in the form and context in which it appears in the section titled “Financial Statements” on page 94 of this Draft Red Herring Prospectus and such consent and report have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

The Auditors, Purushottam Agrawal & Co., Chartered Accountants, have given their written consent to inclusion of their report relating to the tax benefits accruing to the Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and have not withdrawn such consent up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

[●], the agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, will give its written consent to the inclusion of its report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the RoC and Designated Stock Exchange.

Expert Opinion

Except the report of [●] in respect of the IPO grading of this Issue which will be Annexed with the Red Herring Prospectus, and except as stated otherwise stated in this Draft Red Herring Prospectus we have not obtained any expert opinions.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately Rs. [●] million. The expenses of this Issue include, among others, underwriting and management 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 the Company.

The estimated Issue expenses are as follows:

Activity	Expenses* *(Rs. in million)*	% of Issue size	% of Issue expenses
Lead management fee and underwriting commissions	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
IPO Grading expenses	[●]	[●]	[●]
Others (Registrar's fee, legal fee, etc.)	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

* *Will be incorporated after finalisation of the Issue Price*

In addition to the above, listing fees will be paid by the Company.

Fees Payable to the BRLM, Brokerage and Selling Commission

The total fees payable to the BRLM including brokerage and selling commission for the Issue will be as per the memorandum of understanding executed between the Company and the BRLM dated January 14, 2008, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding dated December 29, 2007 between the Company and the Registrar, a copy of which are available for inspection at our Registered Office.

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 or speed post or under certificate of posting.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offer of the 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

The Company has not made any previous rights and public issues in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the section titled "Capital Structure" on page 15 of this Draft Red Herring Prospectus, the

Company has not made any previous issues of Equity Shares for consideration otherwise than for cash.

Companies under the Same Management

Except as stated in the section titled "Our Promoters and Promoter Group" on page 80 of the Draft Red Herring Prospectus, there are no companies under the same management.

Promise v. Performance – Promoter Group

Neither the Company nor any Promoter Group or associate companies have made any rights and public issues in the past.

Outstanding Debentures or Bond Issues or Preference Shares

The Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Draft Red Herring Prospectus.

Stock Market Data of our Equity Shares

These being an initial public offer of the Equity Shares, the Equity Shares of the Company are not listed on any stock exchange and hence no stock market data is available.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, 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.

Disposal of Investor Grievances

We estimate that the average time required by us or the Registrar to the Issue to address routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Company has appointed Mr. K. N. Mehra, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

PNC House, D-51, Kamla Nagar,
Agra 282 005,
Uttar Pradesh, India
Tel: (91 562) 2580 230, 2581 688, 2581 761
Fax: (91 562) 2882 925
E-mail: pncipo@pncinfratech.com

Change in Auditors

There has been no change in the auditors of the Company in the preceding three years.

Capitalisation of Reserves or Profits

We have not capitalised our reserves in the last five years.

Revaluation of Assets

We have not revalued our assets in the last five years.

Interest of Promoters and Directors

For details, see "Our Promoters and Promoter Group" and "Our Management" on pages 80 and 70 of this Draft Red Herring Prospectus.

Payment or benefit to officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus no amount or benefit has been paid or given or is intended to be paid or given to any of our Company's officers except the normal remuneration for services rendered as directors, officers or employees since the inception of our Company. None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company, except as disclosed in the financial statements relating to related party transactions in the section titled "Financial Statements - Statement of Related Party Transactions" on page 94 of this Draft Red Herring Prospectus.

Other Disclosures

Except as stated in this Draft Red Herring Prospectus, the Promoters, Promoter Group or the directors of the Promoter companies or the Directors have not purchased or sold any securities of our Company during the period of six months preceding the date on which this prospectus is filed with SEBI.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, RBI, and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Board of Directors has, pursuant to resolution passed at its meeting held on September 22, 2007, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary. The shareholders of the Company have, pursuant to a resolution dated October 1, 2007, under Section 81(1A) of the Companies Act, authorised the Issue.

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 of our Company, including rights in respect of dividends. The Allottees will be entitled to dividend or any 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 191 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividends, if any, to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The Equity Shares are being offered in terms of this Draft Red Herring Prospectus at an Issue Price of Rs. [•] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

The face value of the shares is Rs. 10 and the Floor Price is [•] times of the face value and the Cap Price is [•] times of the face value.

Compliance with SEBI DIP Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to, among other things, voting rights, dividend, forfeiture and lien, transfer and transmission see the section titled "Main Provisions of the Articles of Association" on page 191 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the existing SEBI DIP Guidelines, the trading in the Equity Shares shall only be in dematerialised form for all investors. **Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share**.

Allotment through this Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Share. For details of allocation and Allotment, see the section titled "Issue Procedure- Basis of Allotment" on page 183 of this Draft Red Herring Prospectus.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she 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 Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation 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 the Registered Office of our Company or at the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee as provided under Section 109A, shall upon the production of such evidence as may be required by the Board of Directors, 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, the Board of Directors 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, the Board of Directors 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.

Notwithstanding anything stated above, since the Allotment in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Application by Eligible NRIs / FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or FVCIs registered with SEBI. Such Eligible NRIs, FIIs registered with SEBI or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue to the public to the extent of the amount payable on application, including devolvement on the Underwriter, if any, within 60 days from the Bid

Closing Date, our Company 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 interest prescribed under Section 73 of the Companies Act.

Further, in terms of Rule 19(2)(b) of SCRR, if at least 60% of the Net Issue cannot be allocated to QIBs, all application money shall be refunded forthwith.

Further, in terms of clause 2.2.2A of the SEBI DIP Guidelines, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be Allotted will not be less than 1,000.

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 jurisdictions.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Uttar Pradesh, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended from time to time (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 of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S 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.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. See the section titled "Main Provisions of our Articles of Association" on page 191 of this Draft Red Herring Prospectus.

Application in Issue

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in the dematerialised form only.

ISSUE STRUCTURE

The present Issue of 6,000,000 Equity Shares, at a price of Rs. [•] for cash at a price of Rs. [•] per Equity Share (including a share premium of Rs. [•] per Equity Share) aggregating Rs. [•] million is being made through the 100% Book Building Process. The Issue comprises a Net Issue to the public of 5,800,000 Equity Shares and an Employee Reservation Portion of up to 200,000 Equity Shares. The Net Issue would constitute 21.00% of the post Issue paid up equity capital of our Company.

Our Company is considering a Pre-IPO Placement of up to 2,000,000 Equity Shares with certain investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the transfer, if any, of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed the Issue size offered to the public will be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post-Issue capital being offered to the public.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Number of Equity Shares*	At least [●] Equity Shares.	[●] Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	[●] Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to 200,000 Equity Shares
Percentage of Issue Size available for Allotment/ allocation	At least 60% of Net Issue shall be allocated to QIBs. However, not less than 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 10% of Net Issue or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 30% of the Net Issue or Net Issue less allocation to QIB Bidders and Non Institutional Bidders.	Up to [●]% of the Issue Size**
Basis of Allotment/ Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds in the Mutual Funds Portion; (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000	[•] Equity Shares	[•] Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.	Such number of Equity Shares in multiples of [●] Equity Shares
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Who can Apply***	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, and State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.	NRIs, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Individuals (including HUFs, NRIs) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.	Eligible Employees
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Eligible Employees at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin Amount	At least 10% of the Bid Amount	Full Bid Amount on bidding	Full Bid Amount on bidding	Full Bid Amount on bidding

* *Subject to valid Bids being received at or above the Issue Price and subject to a minimum of 60% of the Net Issue being allocated to QIBs. In terms of Rule 19(2)(b) of SCRR, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of which 5% 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 including the Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 10 % of the Net Issue would be allocated to Non-Institutional Bidders and not less than 30% of the Net Issue would be allocated to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price. Under-subscription, if any, in the Non-Institutional category and the Retail Individual category would be met with spill over from any other category at the sole discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.*

** *Undersubscription, if any, in the Employee Reservation Portion will be added back to Retail Portion. In case of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Reservation Portion.*

*** *In case the 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 are in the same sequence in which they appear in the Bid cum Application Form.*

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime including after the Bid Closing Date but before the Allotment of Equity Shares, without assigning any reason thereof.

Bidding Period / Issue Period

BID / ISSUE OPENS ON	**[•]**
BID / ISSUE CLOSES ON	**[•]**

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding /Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid Closing Date, the Bids shall be accepted **only between 10 a.m. and 1 p.m.** (Indian Standard Time) and uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids and any revision in Bids one day prior to the Bid Closing Date and, in any case, no later than 1 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLM and Syndicate Members will not be responsible. Bids will be accepted only on Business Days.

The Company reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI DIP Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for such number of days after revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLM at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital of our Company, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated to QIB Bidders on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds and the remainder shall be available for allocation on a proportionate basis to QIBs including the Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further not less than 30% of the Net Issue to the public shall be available for allocation on a proportionate basis to the Retail Individual Bidders and not less than 10% of the Net Issue to the public 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.

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, our Company would have a right to reject the Bids only on technical grounds.

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

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. 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. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the application form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in this Draft Red Herring Prospectus and the 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 Bidder.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs and FIIs applying on a repatriation basis	Blue
Eligible Employees	Pink

Who can Bid?

- Indian nationals resident in India who are majors, 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 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 the Equity Shares;
- Mutual Funds registered with SEBI;

- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI DIP Guidelines and regulations, as applicable);
- FIIs registered with SEBI;
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts 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 Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares; and
- Eligible Employees.

Pursuant to the existing regulations, OCBs are not eligible to participate in the Issue.

Bidders are advised to 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.

Participation by associates of BRLM and Syndicate Member

The BRLM and Syndicate Members 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 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. Such bidding and subscription may be on their own account or their clients.

Application by Mutual Funds

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 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 the 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.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any 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. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with the 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.

Under the SEBI DIP Guidelines 5% of the QIB portion i.e. [●] Equity Shares has been specifically reserved for Mutual Funds.

Application by Eligible NRIs

Bid cum Application Forms have been made available for Eligible NRIs at the Registered Office of our Company and with members of the Syndicate and or the Registrar.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Application by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of 27,614,000 Equity Shares). 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 capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. Under the current foreign investment policy applicable to us, FII holding in us cannot exceed 24% of our total issued capital. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the Company for adoption.

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, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Application by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund/ foreign venture capital investor. Further, Venture Capital Funds can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

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 this Draft 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.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 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 cut-off option 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.

(b) **For Non-Institutional Bidders and QIB Bidders**: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Net Issue size. However, the maximum Bid by a QIB Bidder should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI DIP Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid Closing Date and is required to pay QIB Margin upon submission of Bid.

In case of revision in Bids, the Non Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 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 QIB Bidders are not allowed to Bid at 'Cut-Off'.

(c) **For Employee Reservation Portion**: The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may Bid at Cut-off Price. The Allotment in the Employee Reservation Portion will be on a proportionate basis.

Bidders are advised to 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 this Draft Red Herring Prospectus.

Information for the Bidders

(a) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Investors who are interested in subscribing for or purchasing our Company's Equity Shares should approach the BRLM or their authorized agent(s) to register their Bid.

(d) Any investor (who is eligible to invest in our Equity Shares according to the terms of this Draft Red Hearing Prospectus and applicable law) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.

(e) Eligible investors who are interested in subscribing for the Equity Shares should approach the BRLM or Syndicate Members or their authorised agent(s) to register their Bids.

(f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms which do not bear the stamp of the members of the Syndicate will be rejected.

Method and Process of Bidding

(a) Our Company and the BRLM shall declare the Bid Opening Date, Bid Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi). This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Schedule XX–A of the SEBI DIP Guidelines, as amended by SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005. The Members of the Syndicate shall accept Bids from the Bidders during the Bidding Period in accordance with the terms of the Syndicate Agreement.

(b) Investors who are interested in subscribing for the Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid, during the Bidding Period.

(c) The Bidding Period shall be a minimum of three working days and not exceeding seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate. The Bidding Period may be extended, if required, by an additional three days, subject to the total Bidding Period not exceeding 10 working days.

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details see the section titled "Issue Procedure-Bids at Different Price Levels" on page 167 of this Draft Red Herring Prospectus) 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 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 and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is 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 of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the section titled "Issue Procedure" on page 163 of this Draft Red Herring Prospectus.

(f) The Members of the Syndicate 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.

(g) During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the section titled "Issue Procedure-Terms of Payment and Payment into the Escrow Accounts" on page 169 of this Draft Red Herring Prospectus.

Bids at Different Price Levels

(a) The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share of Rs. 10 each, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The Bidders can Bid at any price within the Price Band, in multiples of Rs. [•].

(b) In accordance with SEBI DIP Guidelines, our Company in consultation with the BRLM reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI DIP Guidelines. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed in the Red Herring Prospectus.

(c) In case of revision in the Price Band, the Bidding Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to NSE and BSE, by issuing a public notice in two national newspapers (one each in English and Hindi), and also by indicating the change on the websites of the BRLM and at the bidding terminals of the members of the Syndicate.

(d) Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(e) Bidders can Bid at any price within the Price Band. Bidders have to Bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders and Eligible Employee in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options may Bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB Bidders and Non-Institutional Bidders and such Bids from QIB Bidders and Non Institutional Bidders shall be rejected.**

(f) Retail Individual Bidders who Bid at the Cut-off Price and Eligible Employees bidding under the Employee Reservation Portion at Cut-off Price agree that they shall purchase or subscribe the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price and Eligible Employees bidding under the Employee Reservation Portion at Cut- off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event that the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at the Cut-off Price and Eligible Employees bidding under the Employee Reservation Portion at Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price). The Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the Escrow Account(s) / Refund Account(s).

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion, who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 1,00,000 for Retail Individual Bidders, if such Bidder wants to continue to Bid at Cut-off Price), with the Syndicate Members to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft 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 higher end of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from such Bidder and such Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) In case of a downward revision in the Price Band Retail Individual Bidders and Bidders in the Employee Reservation Portion, 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 respective Escrow Accounts/Refund Account(s).

(i) 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 Rs. 5,000 to Rs. 7,000.

Escrow Mechanism

Our Company shall open Escrow Accounts 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 respective Escrow Account.

The Escrow Collection Bank(s) will act in terms of this Draft Red Herring Prospectus and the Escrow Agreement. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, to the Public Issue Account as per the terms of the Escrow Agreement. Payments of refund to the Bidders shall also be made from the Escrow Account(s)/Refund Account(s) as per the terms of the Escrow Agreement and this Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details see the section titled "Issue Procedure-Payment Instructions" on page 177 of this Draft Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide its QIB Margin Amount only to a BRLM or Syndicate Members duly authorised by the BRLM in this regard. Bid cum Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid cum Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Accounts, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. On the Designated Date and no later than 15 days from the Bid Closing Date, the Escrow Collection Bank(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders, i.e., QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" on page 160 of this Draft Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM. If the payment is not made favouring the appropriate Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be rejected. However, if the members of the Syndicate, do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid Form.

Electronic Registration of Bids

(a) The Member of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. The Syndicate Members 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 on a regular basis. On the Bid Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLM on a regular basis.

(c) The aggregate demand and price for Bids registered on the electronic facilities of NSE and BSE will be downloaded on a regular basis, consolidated and displayed on-line at all bidding centers and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of the consolidated demand and price would be made available at the bidding centers and the websites of the Stock Exchanges during the Bidding Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor;
- Investor Category –Individual, Corporate, FII, NRI or Mutual Fund, etc.;

- Numbers of Equity Shares Bid for;
- Bid price;
- Bid cum Application Form number;
- Whether payment is made upon submission of Bid cum Application Form; and
- Depository Participant Identification No. and Client Identification no. of the demat account of the Bidder.

(e) 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 the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be Allotted either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) In case of QIB Bidders, the members of the Syndicate can reject the Bids at the time of accepting the Bid provided that the reason for such rejection is provided in writing. In case of Bids under the Non-Institutional Portion, Bids under the Retail Portion and Bids under the Employee Reservation Portion would not be rejected except on the technical grounds listed in this Draft Red Herring Prospectus.

(h) It is to be distinctly understood that the permission given by NSE and BSE 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, the BRLM are cleared or approved by NSE and BSE; 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, our Promoter, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and BSE.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the Members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.

(c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(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 same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) 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. 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 this Draft Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders..

(g) When a Bidder revises 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 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.**

(h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between NSE or BSE and the members of the Syndicate, the decision of the Company in consultation with the BRLM, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid Closing Date, the BRLM will analyse the demand generated at various price levels and discuss pricing strategy with our Company.

(b) Our Company in consultation with the BRLM, shall finalise the Issue Price, the number of Equity Shares to be Allotted in each portion.

(c) The allocation to QIB Bidders of at least 60% of the Net Issue (5% of which is specifically reserved for Mutual Funds) would be on a proportionate basis in consultation with Designated Stock Exchange subject to valid Bids being received at or above the Issue Price, in the manner as described in the section titled "Issue Procedure-Basis of Allotment – Allotment to QIB Bidders" on page 185 of this Draft Red Herring Prospectus. The allocation to Non-Institutional Bidders of not less than 10% and Retail Individual Bidders of not less than 30% of the Net Issue Size, would be on proportionate basis, in the manner specified in the SEBI DIP Guidelines, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

(d) Under subscription, if any, in the Non-Institutional, Retail categories and the Employee Reservation Portion would be allowed to be met with spill over from any of the other categories at the discretion of our Company and the BRLM. However, if the aggregate demand by Mutual Funds is less than [•] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be Allotted proportionately to the QIB Bidders.

(e) Allocation to FIIs, NRIs and foreign venture capital funds registered with SEBI applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(f) The BRLM in consultation with our Company shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) Our Company reserves the right to cancel the Issue any time after the Bid Opening Date but before Allotment without assigning any reasons whatsoever.

(h) **In terms of SEBI DIP Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid Closing Date.**

(i) The Allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and Filing with the RoC

(a) Our Company and the BRLM shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.

(b) After signing the Underwriting Agreement, our Company would update and file the updated Red Herring Prospectus with the RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall after receiving final observations, if any, on the Draft Red Herring Prospectus from the SEBI, publish an advertisement, in the form prescribed by the SEBI DIP Guidelines in two widely circulated newspapers (one each in English and Hindi).

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) Upon approval of basis of allocation by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that our Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The BRLM or members of the Syndicate would then dispatch the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow Accounts at the time of bidding shall pay in full the amount payable into the Escrow Accounts by the Pay-in Period specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts. The dispatch of a CAN shall be a deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

(d) The Issuance of CAN is 'Subject to "Allotment/ Transfer Reconciliation and Revised CANs" as set forth below.

Notice to QIBs: Allotment/ Transfer Reconciliation and Revised CANs

After the Bid Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI DIP Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid Closing Date. After the funds are transferred from the Escrow Accounts to the Public Issue Account on the Designated Date, we would ensure the credit to the successful Bidders depository account within two working days of the date of Allotment.

(b) As per SEBI DIP Guidelines, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, in the manner stated in 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.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour), Non-Resident Bid cum Application Form (blue in colour), or Employee Reservation Portion Bid cum Application Form (pink in colour)), as the case may be;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;
- Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;
- Ensure that you have been given a TRS for all your Bid options;
- Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- Ensure that the Bid is within the Price Band;
- Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act and attach a copy of the PAN card and also submit a photocopy of the PAN card(s) or a communication from the Income Tax authority indicating Allotment of PAN along with the application for the purpose of verification of the number, with the Bid cum Application Form. In case you do not have a PAN, ensure that you provide a declaration in Form 60 prescribed under the I.T.Act along with the application.; and
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects.
- Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. 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:

- Do not Bid for lower than the minimum Bid size;

- Do not Bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

- Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

- Do not pay the Bid Amount in cash by money order or by postal order or by stockinvest;

- Do not provide your GIR number instead of your PAN;

- Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

- Do not Bid at Cut-off Price (for QIB Bidders, Non-Institutional Bidders and Bidders under the Employee Reservation Portion, for whom the Bid Amount exceeds Rs. 100,000);

- 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;

- **Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour, blue colour or pink colour as may be applicable).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) The Bids from the Retail Individual Bidders must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Net Issue. 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.

(e) For Employee Reservation Category, the Bid must be for a minimum of [•] Equity Shares in multiple of [●] thereafter.

(f) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Depository Account and Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. 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 despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Registrar to the Issue nor the Escrow Collection Banks 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.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE 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.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of bank particulars on the refund order or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid cum Application Form, Bidder would have 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/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs 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 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 the Bidders sole risk and neither our Company, the Registrar, Escrow Collection Bank(s) nor the BRLM 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 that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice / refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Eligible Employee means permanent employees of our Company who are Indian Nationals, are based in India and are physically present in India on the date of submission of the Bid cum Application Form. However, the Directors who are the Promoters and forming part of the Promoter Group of the Company shall not be considered to be Eligible Employees.

Bids under Employee Reservation Portion by Eligible Employees shall be

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).

(b) Eligible Employees, as defined above, should mention their Employee Number at the relevant place in the Bid cum Application Form:

(c) The sole/ first Bidder should be Eligible Employees.

(d) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.

(e) Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.

(f) Eligible Employees who apply or Bid for securities of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-Off. This facility is not available to other Eligible Employees whose minimum Bid Amount exceeds Rs. 100,000.

(g) The maximum Bid in this category by any Eligible Employee cannot exceed Rs. [•].

(h) Bid/ Application by Eligible Employees can be made also in the "Net Issue to the Public" and such Bids shall not be treated as multiple Bids.

(i) If the aggregate demand in this category is less than or equal to [•] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue to the Public, and the ratio amongst the investor categories will be at the discretion of our Company and the BRLM. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion.

(k) 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. For the method of proportionate basis of allocation, refer to para "Basis of Allotment" on page 183 of this Draft Red Herring Prospectus.

Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis

Bids and revision to Bids must be made:

- On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

- In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 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. 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 and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or 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 and articles of association and/or bye laws 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.

In case of Bids made pursuant to a power of attorney by FIIs, 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 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.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority 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.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, 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.

In case of Bids made by mutual fund registered with SEBI and venture capital fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted 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.

Our Company in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

Our Company in our absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Payment Instructions

Our Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation/ Allotment in the Issue.

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

(a) *Payment into Escrow Account*

- The Bidders for whom the applicable Margin Amount is equal to 100%, 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.

- In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM.

- The payment instruments for payment into the Escrow Account should be drawn in favour of:
    - In case of Resident QIB Bidders: "Escrow Account – [●]– QIB - R"
    - In case of Non Resident QIB Bidders: "Escrow Account – [●]– QIB - NR"
    - In case of Resident Retail Individual Bidders: "Escrow Account – [●] - Retail - R"
    - In case of Non Resident Retail Individual Bidders: "Escrow Account – [●] - Retail - NR"
    - In case of Resident Non Institutional Bidders: "Escrow Account – [●] – Non-Institutional -R"
    - In case of Non Resident Non Institutional Bidders: "Escrow Account – [●] – Non Institutional - NR"
    - In case of Eligible Employees: "Escrow Account- [●]- Eligible Employee".

- In case of Bids by NRIs applying on a repatriation basis, the payments must be made through 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 the Non-Resident External (NRE) Accounts or the 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 the 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 the NRE Account or the FCNR Account.

- In case of Bids by 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 NRE Accounts or 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.

- In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

- The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

- On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Banker(s) to the Issue.

- On the Designated Date and no later than 15 days from the Bid Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders

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.

Payment by Stock invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the BRLM at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or 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 (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.

2. In this master, a check will be carried out for the same PAN number. In cases where the PAN number is different, the same will be deleted from this master.

3. The Registrar to the Issue will obtain, from Depositories, details of the applicants' address based on the DP ID and Beneficiary Account Number provided in the 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.

6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Bids made by Eligible Employees both under Employees Reservation Portion as well as in the Net Issue shall not be treated as multiple Bids.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

Each Bidders should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. Applications without this information and documents will be considered incomplete and are 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**.

Unique Identification Number ("UIN")

Pursuant to circulars dated April 27, 2007 (No. MRD/DoP/Cir-05/2007) and June 25, 2007 (No. MRD/DoP/Cir-08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database of Market Participants) Regulations, 2005 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

Right to Reject Bids

In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Bidders in the Employee Reservation Portion, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on among others on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;
- Age of First Bidder not given;
- In case of partnership firms, shares may be registered in the names of the individual partners and no firm as such, shall be entitled to apply;
- Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane Persons;
- PAN details not furnished. PAN photocopy/ PAN communication is not given;
- Submission of the GIR number instead of the PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than Floor Price;
- Bids at a price more than the Cap Price;
- Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
- Bids for number of Equity Shares, which are not in multiples of [•];

- Category not ticked;
- Multiple Bids as defined in this Draft Red Herring Prospectus;
- In case of Bid 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;
- Bid cum Application Forms does not have the stamp of the BRLM or Syndicate Members;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid Opening Date advertisement and this Draft Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the 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 Depositary Participant's identity (DP ID) and the beneficiary's identity;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in the section titled "Issue Procedure–Bids at Different Price Levels" at page 167 of this Draft Red Herring Prospectus;
- Bids by OCBs;
- Bids by US Persons other than in reliance on Regulation S under the Securities Act;
- Bids in respect where the Bid cum Application form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by international QIB`s not submitted through the BRLM or their affiliates;
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids by Persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and
- Bids by Eligible Employees or Directors of the Company not eligible to apply in the Employee Reservation Portion.

Equity Shares in Dematerialised Form with NSDL or CDSL

The Allotment of Equity Shares in this Issue 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:

- a tripartite agreement dated [●] with NSDL, us and Registrar to the Issue; and
- a tripartite agreement dated [●] with CDSL, us and 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 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.

- 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 or Revision Form.

- Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

- Names 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.

- If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

- The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

- It may be noted that 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 our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

- The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

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 number, details of Depository Participant, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors 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.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by it or the Registrar to the Issue for the redressal of routine investor grievances shall be seven 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.

Our Company has appointed Mr. K. N. Mehra, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

D-51, Kamla Nagar,
Agra 282 005,
Uttar Pradesh, India
Tel: (91 562) 2580 230, 2883 625, 2581 761
Fax: (91 562) 2882 925
E-mail: pncipo@pncinfratech.com

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A 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 QIB Bidders shall be available for Allotment to Retail Individual 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 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 up to 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 Portion 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 up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue 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 not less than 5% of the QIB Portion shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for not less than 5% of the QIB Portion.

    (ii) In the event that the aggregate demand form 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 QIB Bidders as set out in (b) below.

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis for not less than 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 QIB Bidders.

    (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment to QIB Bidders shall not be less than [●] Equity Shares.

D. For Employee Reservation Portion

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at 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 allocation shall be made to the Eligible Employees to the extent of their demand.
- 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 [•] Equity Share thereafter. For the method of proportionate basis of allocation, refer below.
- Only Eligible Employees eligible to apply under Employee Reservation Portion.

Method of Proportionate Basis of Allotment in the QIB, Retail, Non-Institutional and Employee Reservation Portions

In the event of the Issue being over-subscribed, we 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 BRLM and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorized 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:

- Each successful Bidder shall be Allotted a minimum of [•] Equity Shares; and
- 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.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of [•] (which is the marketable lot), the number in excess of the multiple of [•] would be rounded off to the higher multiple of [•] if that number is [•] or higher. If that number is lower than [•], it would be rounded off to the lower multiple of [•]. All Bidders in such categories would be Allotted Equity Shares 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 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.

Illustration of Allotment to QIBs and Mutual Funds (MF)

S. No.	Particulars	Issue details
1	Net Issue size	100 million Equity Shares
2	Allocation to QIB (60% of the Net Issue)	60 million Equity Shares
	Of which:	
	a. Reservation For Mutual Funds, (5%)	3 million Equity Shares
	b. Balance for all QIBs including Mutual Funds	57 million Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	250 million Equity Shares

B. Details of QIB Bids

S. No	Type of QIB bidders#	No. of shares bid for *(Rs. in million)*
1	A1	25
2	A2	10
3	A3	65
4	A4	25
5	A5	25
6	MF1	20
7	MF2	20
8	MF3	40
9	MF4	10
10	MF5	10
	TOTAL	250

 # A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Allotment to QIB Bidders

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 3 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 57 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	25	-	5.77	-
A2	10	-	2.31	-
A3	65	-	15.00	-
A4	25	-	5.77	-
A5	25	-	5.77	-
MF1	20	0.60	4.48	5.08
MF2	20	0.60	4.48	5.08
MF3	40	1.20	8.95	10.15
MF4	10	0.30	2.24	2.54
MF5	10	0.30	2.24	2.54
	250	**3.00**	**57.00**	**25.38**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" on page 160 of this Draft Red Herring Prospectus.

2. Out of 60 million equity shares allocated to QIBs, 3 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 100 million shares in the QIB portion.

3. The balance 57 million equity shares (i.e. 60 – 3 (available for Mutual Funds only)) will be allocated on proportionate basis among 10 QIB Bidders who applied for 250 million shares (including five Mutual Fund applicants who applied for 100 million shares).

4. The figures in the fourth column titled "Allocation of balance 57 million equity shares to QIBs proportionately" in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5)= Number of equity shares bid for X 57 / 247
   - 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 57/247
   - The denominator for arriving at allocation of the balance 57 million equity shares to the 10 QIBs are reduced by 2.5 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.
   - The numerator for arriving at allocation of balance 57 million equity shares to the Mutual Fund applicants is reduced by the respective number of equity shares already allotted to each Mutual Fund in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders

The Company shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of Basis of Allotment. Applicants residing at 15 centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of 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 15 days of closure of Bid / Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, our Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid Closing Date; and
- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

The 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 a bank appointed by our Company as a Refund Bank 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.

PAYMENT OF REFUNDS

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid cum Application Form, the Registrar 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, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM 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

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following fifteen centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. 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 abovementioned 15 centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s) 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. RTGS – Applicants having a bank account at any of the abovementioned 15 centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. 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.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 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 centers will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

We 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 two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 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.

We 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 seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, we further undertake that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 days of the Bid Closing Date;

- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 days of the Bid Closing Date would be ensured; and

- We shall pay interest at 15% per annum for any delay beyond the 15 day 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 15-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI DIP Guidelines.

Undertakings by our Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;

- that all steps will be taken for the 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 seven working days of finalisation of the Basis of Allocation;

- 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 the Issuer.

- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of 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 certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time; and

- 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.

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.

Utilisation of Issue Proceeds

The Board of Directors of our Company certifies that:

- all monies received out of the Issue to the public shall be 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 the Issue shall be disclosed under an appropriate separate head in the balance sheet of our Company 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 the appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested;

Our Company shall not have any recourse to the Issue proceeds until the approval for trading the Equity Shares is received from the Stock Exchanges.

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. As per current foreign investment policies, foreign investment under the automatic route in an infrastructure company engaged in the power sector and roads sector is permitted up to 100% of such company's shareholding while in the airports sector, investments are permitted up to 100% in case of greenfield projects and 74% in case of existing projects, beyong which FIPB approval is required. However, in respect of investing companies in the infrastructure/service sector, foreign direct investment in such investing company should not exceed 49% and the management of the investing company should remain with the Indian owners. Further, the automatic route is not available.

RBI has granted general permission under FEMA in respect of proposals approved by the Government. Indian companies getting foreign investment approval through FIPB route do not require any further clearance from RBI for the purpose of receiving inward remittance and issue of shares to the foreign investors. Such companies are however required to notify the concerned regional office of the RBI of receipt of inward remittances within 30 days of such receipt and to file the required documents with the concerned regional office within 30 days of issue of shares to the foreign investors or NRIs.

Subscription by Eligible Non-Residents

There is no reservation for any NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions and such NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions will be treated on the same basis with other categories for the purpose of allocation. The allotment of Equity Shares to Non-residents, NRIs and FIIs shall be subject to the conditions as may be prescribed by the FIPB while granting such approvals.

As per RBI regulations, OCBs cannot participate in the Issue.

Investment by 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.

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued 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 capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. Under the current foreign investment policy applicable to us, FII holding in us cannot exceed 24% of our total issued capital. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 49%.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended from time to time (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 of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S 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.

SECTION - VIII

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association. Pursuant to Schedule II of the Companies Act, 1956 and SEBI DIP Guidelines, the main provisions of the Articles of Association of the Company are set forth below:

CAPITAL

3. The authorised share capital of the Company shall be such amounts and be divided into such shares as may, from time to time , be provided in clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provision for the time being in that behalf with the powers to divided or sub divide the share capital: whether increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manned as may for the time being be provided by the regulations of the Company and allowed by law.

FURTHER ISSUE OF SHARES

4. (1) Where at any time after the expiry of two (2) years from the formation of the Company or at any time after the expiry of one (1) 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 either out of the unissued capital or out of the increased share capital 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 near as circumstances admit, to the capital paid up on those shares at that date;

(b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty (30) days from the date of the offer within which 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 them in favour of any other person and the notice refereed to in sub clause (b) hereof shall contain a statement of this right. Provided that the directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

(d) After expiry of the time specified in the aforesaid notice 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 and to such person(s) as they may think in their sole discretion fit.

(2) Notwithstanding anything contained in Sub-Clause (1) hereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of Sub-Clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that affect is passed by the Company in a 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 the 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 (1) 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 or loans raised by the Company.

(i) To convert such debentures or loans into shares in the Company; or
(ii) To subscribe for shares in the Company (Whether such option is conferred in these articles or otherwise).

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 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 the 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 a general meeting before the issue of the debentures or raising of the loans.

SHARES AT THE DISPOSAL OF THE DIRECTORS

5. 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 of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

6. 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 the 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 this Article shall mutatis mutandis apply to the calls on debentures of the Company.

TRANSFER AND TRANSMISSION OF SHARES

7. Subject to the provisions of Sections 108 of the Act, no transfer of all shares shall be registered unless a proper instruments of transfer duly stamped and executed by or on behalf of the transferor and or on behalf of the transferee has been delivered to the Company together with the certificate or, if no such certificate is in existence, the letter of allotment of the shares. Every such instrument shall be delivered to the Company within a time limit prescribed by the Act.

INSTRUMENT OF TRANSFER

8. The instrument of transfer of share shall be in writing and all provisions of Section 108 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer of transmission of any share.

9. Every such instruments of transfer shall be executed both by the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof.

DIRECTORS MAY REFUSE TO REGISTER TRANSFER

11. Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulations) Act, 1956, the Directors may at their own absolute and uncontrolled discretion any by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one (1) month from the date on which the instrument of transfer, was lodged with the company, send to the transferee and transferor, notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/ debentures in whatever lot shall not be refused.

12. Not withstanding any thing contained in its Articles or in Sections 82 or Section 111 of the Act but subject to the other provisions of Section 22A of the Securities Contracts (Regulation) Act, 1956, the Company may refuse to register the transfer of any of its securities in the name of the transferee on any one or more of the following grounds and on no other ground, namely.

(a) That the instrument of transfer is not proper or has not been duly stamped and executed or that the certificate relating to the security has not been delivered to the Company or that any other requirement under law relating to registration of such transfer has not been complied with.

(b) That the transfer of the securities is in contravention of any law or rules made there under or any administrative instructions or conditions of listing agreements laid down in pursuance of such laws or rules.

13. Where in the 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 or sections 110 of the Act.

14. In the case of death of one or more of the persons named in the Register of Members as the joint-holder of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with other person.

15. The executors or administrators or holders of a succession certificate or the legal representatives 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 member, and the Company shall not be bound to recognize such executors or administrators or holders of a succession certificate or legal representative unless they have first obtained probate or letters of administration or succession certificate, as the case may be form a duly constituted court in the Union of India. Provided that in any case where the Board in its absolute discretion thinks fit tit shall be lawful for the Board to dispense within the production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the board in its absolute discretion, may think necessary.

16. No transfer shall be made to any insolvent, partnership firm or person of unsound mind. However, shares shall be registered in the name of minor if shares are fully paid pup. Also shares can be held in the name of individual partner (s).

17. Any committee or guardian of a lunatic or infant member or any person becoming entitled to transfer shares in consequence of the death or bankruptcy, that he sustain the character in respect of which he proposed to act under this Article or of the title as the Board thinks sufficient not may with consent of the Board (which it shall not under any obligation to give) be registered as a member in respect of such shares or may subject to regulation as to transfer hereinbefore contained, transfer such shares.

18. Subject to the provisions of Articles 46 and 47, any person becoming entitled to share in consequences of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these Articles, may with consent of the Board of Directors (which it shall not be under any obligation to give) upon producing such evidence that he sustain the character in respect of which he proposes to act under this Article, or of his title, as the Board of Directors thinks sufficient either be register himself as the holder of the shares or elect to have some person as such holder. Provided that if such persons shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee as 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.

19. A person entitled to a share by transmission may, until the Board otherwise determines as approved by Article 27 of these Articles, receive and give discharge for any dividend, bonus or other moneys payable in respect of the share , but he shall not be entitled to vote at meetings of the Company save as provided in the Articles or save as aforesaid and save as provided in Articles of association to any of the rights and privileges of a member, unless and until he shall be become a member in respect of the shares.

20. 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 every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

21. The Company shall incur no liability or responsibility in consequence or its registering or giving effect to a transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or claiming any equitable right, title, or interest to or in the shares, notwithstanding that the Company may have made notice of such equitable right, title or interest or notice prohibiting registration or such transfer, and may have entered, such notice, or referred thereto , in any book of the Company , and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, 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.

22. Shares may at any time be transferred by a member being an individual by way of gift or for or without any pecuniary consideration to his own spouse, heirs or lineal ascendants or descendants or by a member being body corporate to any associated body corporate, and any shares of the deceased member, may subject to these Articles, be transferred by the executors or administrators, to any persons to whom such deceased me member could have specifically bequeathed the sane, his spouse, heirs, lineal ascendants or descendants.

23. Before registering any transfer tendered for registration, the Board of Directors may , if they so think fit, give notice by letter posted (in the ordinary) to the registered holder that such transfer deed has been lodged and that, unless objection is taken the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within fourteen (14) days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Non issuance of such notice by the Company or failure to receive such notice by the registered holder shall not entitle him to make any claim of any kind against the Company in respect of such non-receipt.

24. All instruments of transfer which shall be registered by the Company but any instruments of transfer which the Directors may decline to register shall be returned to the person depositing the same.

COMPANY'S LIEN ON SHARES / DEBENTURES

25. The Company shall have a first and paramount lien upon all the 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 to be exempt from the provisions of this clause.

LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

26. 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 may from time to 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 (3) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one (1) months of the receipt of applications 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 or 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 (1) certificate and delivery of a certificate of shares to one (1) of several joint holders shall be sufficient delivery to all such holders.

NO FEE ON TRANSFER OR TRANSMISSION

27. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

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 is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems 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 this Article shall be issued without payment of fees if the Directors so decides, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of a 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 or transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other Acts or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

DEMATERIALISATION OF SECURITIES

29. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

(1) The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

(2) Every holder of or subscriber to securities of the Company shall have the option to receive

certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates for the securities. If a person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.

(3) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.

(4) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the Beneficial Owner.

(ii) Save as required by applicable law, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every person holding securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a Depository and shall be deemed to be a member of the Company.

(5) Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a Depository, the records of the Beneficiary Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(6) Nothing contained in Section 108 of the Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(7) Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

(8) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

(9) The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the register and index of members and security holders for the purposes of these Articles.

GENERAL MEETING

30. All general meetings, other than annual meeting shall be called extraordinary general meeting.

31. (1) The Board of Directors may, whenever it think fit, call an extra –ordinary general meeting (that is other than Annual general meeting).

(2) If at any time Directors capable of acting who are sufficient in number to form a quorum, are not within India, any Director or any two (2) members of the Company may call an extra-ordinary general meeting in the same manner, as nearly as possible, as that in which a meeting may be called by the Board of Directors.

(3) Subject of Section 190 of the Act, all general meetings may be called by giving to members clear fourteen (14) days notice in writing except where such condition is waived of unanimously by all members in writing in the meeting.

PROCEEDINGS AT GENERAL MEETING

32. (1) No business shall be transacted at any general meeting unless a quorum or members present at the time when meeting proceed to business.

(2) Subject to regulation 49 of Table 'A' five (5) members present in person shall constitute adequate quorum.

33. The Chairman, if any, of any Board, shall preside as the Chairman of every general meeting of the Company.

34. If there is no such Chairman or if he is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to sit as the Chairman of the meeting, the Directors present shall elect one (1) of their members to be the Chairman of the meeting.

35. (1) The Chairman may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(3) When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(4) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

36. In the case of equality of votes, whether on a show or hand or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second of casting vote.

37. Any business other than that upon which a poll has been demanded may proceed with, pending the taking of the poll.

BOARD OF DIRECTORS

38. The business of the Company shall be managed by the Board of Directors who may pay all expenses incurred in getting the Company registered any may exercise all such powers of the Company as are not restricted by the Act or any statutory modification thereof for the time being in force of by these Articles required to be exercised by the Company in a general meeting subject to any regulations of these Articles, to the provision of the Act and to such regulation being not inconsistent with the aforesaid regulations or provision as may be prescribed by the Company in general meeting. Nothing shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

39. The following shall be the first Directors of the Company:

1. PRADEEP KUMAR JAIN
2. CHAKRESH KUMAR JAIN
3. YOGESH KUMAR JAIN

40. No person other than a retiring Director, shall be elected a Director (except as a first Director, appointed by the directors) unless, fourteen (14) days notice shall have been given at the registered office of the Company of intention of propose himself together with a notice in writing, signed by himself signifying his willingness to be elected.

41. A Director shall not be required to hold a qualification shares in the Company.

42. Each Director shall receive out of the funds of the Company by way of sitting fee for his services a sum not exceeding Rupees Two Thousand Five Hundred and Fifty (Rs. 2500) for every meeting of the Board or any committee of Directors attended by him.

43. The Directors shall also be paid traveling and the expenses of attending and retuning from meetings of the Board (including hotel expenses) and any other expenses properly incurred by the in connection with the business of the Company. The Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the provisions of Section 314 of the Act.

44. If any Director being willing shall be called upon to perform extra services or special attention for the purpose of the Company, the Company may, subject to Section 314 of the Act, remunerate such Director which will be either in addition to or in substitution for remuneration to which he may otherwise be entitled.

45. Subject to Section 297 and 299 of the Act, no Director shall be disqualified by his office from contracting with Company nor shall any such contract entered into by or on behalf or the Company in which any Director shall be in any way interested, be avoided nor shall any Director contracting or being interested be liable to account to the Company for any profit realized by an such contract by reason only of such Director holding that office, or of the fiduciary relations thereby established but it is declared that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract is determined of his interest, that exist or in any other case, at the first meeting of the Directors after he after he acquires such interest.

46. The Board or Directors shall have the power at any time and from time to time appoint any person as a Director in addition to the existing Directors but so that the total number of Directors shall not be less than two (2) and more than twelve (12) including nominee Directors at any time, any Director, so appointed, shall hold office only till the next following annual general meeting but shall be eligible thereof for election as Director.

47. The Board of Directors may from time to time appoint one (1) or more of them of the office of Managing Director on such terms and conditions and at such remuneration as they may think fit.

PROCEEDING OF THE BOARD

48. The Director may meet together for the dispatch of business, adjourn and otherwise regulate their meeting as they think fit and determine the quorum necessary for the transaction of business and the place and manner in which the meeting shall be called. Two Directors or one third (1/3) of the total strength of the Board of Directors, which ever is higher, present in accordance with Section 287 of the Act, shall form a quorum. Subject to the provisions of the Act, questions arising any meeting shall be decided by majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

49. A Director may and on the request of a Director, the Secretary, if any, shall at any time summon a meting of Directors. A Director who is not in India shall not be entitled to a notice of a meeting of the Directors.

50. The Directors may and from time to time elect a Chairman who shall preside at the meeting of the Directors and determine the period from which he is to hold office, but if no such Chairman be elected or if at any time, the Chairman be not present, shall choose one of their members to be the Chairman of such meeting.

51. Subject to Section 289 of the Act, except a resolution which the Act requires it specifically to be passed in a Board meeting, a resolution in writing signed by the majority of the Board of Directors shall be as effective for all purposes as a resolution passed at a meting of the Directors duly convened, held and constituted.

POWERS OF THE DIRECTORS

52. Subject to Section 292 of the Act, the Board of Directors shall have the power to delegate any of their powers to such manager, agents or other persons as they may deem fit and may at their own discretion revoke such powers.

53. The Board of Directors shall have powers for the engagement dismissal of managers, engineers, clerks and assistants and shall have power of General direction, management and superintendence of the business of the Company with full powers to do all such Acts, matters and things deemed necessary, proper or expedient for carrying on the business and concern of the Company all such bills of exchange, hundis, cheques, drafts and other government papers and instruments as shall be necessary , proper of expedient for the authority and direction of the Company except only such of them as by the

Act or by these presents which are expressly directed to be exercised by share holders in the general meeting.

UNPAID OR UNCLAIMED DIVIDEND

54. Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within forty two (42) days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within seven (7) days from the date of expiry of the said period of forty two (42) days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of PNC Infratech Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three (3) years from the date of such transfer, shall be transferred by the Company to the General Revenue Account of the Central Government. A Claim to any money so transfer to the General Revenue Account may be preferred to the Central Government by the Shareholders to whom the money is due.

No unclaimed or unpaid dividend shall be forfeited by the Board.

INSPECTION OF ACCOUNTS

55. (1) Board shall cause proper books of accounts to be maintained under Section 209 of the Act.

(2) The Board shall from time to time and determine whether and to what extent and at what times and places and under what conditions or regulations all books of the Company, or any of the, shall be open to the inspection of members not being Directors.

(3) No member (not being a Director) shall have any right of inspection any account book or document of the Company except as conferred by law or authorized by the Board of Directors or by the Company in general meetings.

56. Every manager , auditor, trustee, member of a committee, officer, servant, agent, accountant or other persons employed in the business or a Company shall , if so required by the Board of Directors before entering upon his duties, sign declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customer and the state of accounts with individuals and in matters relating there to and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of this duties except when required to do so by the Directors or by any general meeting or by the laws of country and except so far as may be necessary in order to Company with any of the provisions in these presents of the Act.

BORROWING POWERS

57. Subject to section 58A and 292 of the Act, the Board of Directors shall have the power from time to time at their discretion to borrow , raise or secure the payment of any sum of money for the purpose of the Company in such manner and upon such terms and conditions in all respects ad they think fit and in particular by the issue of debentures or bonds of the Company or by the mortgage charged upon all or any of the properties of the Company both present and future including its uncalled capital for the time being.

TERM OF ISSUE OF DEBENTURES

58. Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise debentures with a right of conversion into or allotment of shares shall be issued only with consent of the Company in general meeting by special resolution.

SECTION IX: 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 this Draft 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 this Draft Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company between 10.00 am to 4.00 pm on working days from the date of this Draft Red Herring Prospectus until the Bid Closing Date.

Material Contracts to the Issue

1. Engagement Letter dated September 21, 2007 for the appointment of Enam Securities Private Limited as the BRLM.
2. Memorandum of Understanding dated January 14, 2008 among our Company and the BRLM.
3. Memorandum of Understanding dated December 29, 2007 among our Company and Registrar to the Issue.
4. Escrow Agreement dated [●] among the Company, the BRLM, the Escrow Collection Banks and the Registrar to the Issue.
5. Syndicate Agreement dated [●] among the Company and the BRLM.
6. Underwriting Agreement dated [●] among the Company and the BRLM.

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.
2. Our certification of incorporation.
3. Board and IPO Committee resolutions in relation to the Issue.
4. Shareholders' resolution in relation to the Issue and other matters.
5. Copies of annual reports of our Company for the years ended March 31, 2003, 2004, 2005, 2006 and 2007.
6. Report of the Auditor's dated Purushottam Agrawal & Co., Chartered Accountants prepared as per Indian GAAP and disclosed in this Draft Red Herring Prospectus.
7. Statement of Tax Benefits from Purushottam Agrawal & Co., Chartered Accountants dated January 12, 2008.
8. Consent of Purushottam Agrawal & Co., Chartered Accountants, our Auditors for inclusion of their reports on restated financial statements and auditors report on audited financial statements in the form and context in which they appear in this Draft Red Herring Prospectus.
9. Powers of attorneys executed by our Directors in favour of person(s) for signing and making necessary changes to this Draft Red Herring Prospectus and other related documents.
10. Consents of Bankers to the Company, BRLM, IPO Grading Agency, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, Domestic Legal Counsel to the Company, Directors of the Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
11. Applications dated [●] and [●] for in-principle listing approval from the BSE and NSE respectively.
12. In-principle listing approval dated [●] and [●] from BSE and NSE respectively.
13. Listing Agreement dated [●] with [●].
14. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated [●].
15. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated [●].
16. Due diligence certificate dated [●] to SEBI from the BRLM.
17. SEBI observation letter No. [●] dated [●] and the Company's in-seriatim reply to the same dated [●].
18. IPO Grading report dated [●] by [●].
19. JV agreement with Bhagheeratha Engineering Limited dated December 20, 2003
20. MoU with TRG Industries Private Limited dated March 29, 2007
21. MoU with RDS Projects Limited dated August 31, 2007
22. Consortium Agreement with RDS Projects Limited dated May 21, 2004
23. MoU with SREI Infrastructure Finance Limited, Subhash Projects & Marketing Limited and Viva Infrastructure Private Limited, dated May 26, 2007
24. Consortium agreement with SMS Infrastructure Limited dated November 15, 2007
25. Consortium Agreement with China Railway SHISIJU Group Corporation dated December 10, 2007
26. MoU with Srei Infrastructure Finance Limited and Subhash Projects and Marketing Limited dated September 1, 2006

Any of the contracts or documents mentioned in this Draft 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, certify that all relevant provisions of the Companies Act, 1956, and the guidelines issued by the GoI or the guidelines issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or guidelines issued, as the case may be, and that all approvals and permissions required to carry on our business have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL DIRECTORS

Mr. Pradeep Kumar Jain (Chairman cum Managing Director)

Mr. Naveen Kumar Jain

Mr. Chakresh Kumar Jain

Mr. Yogesh Kumar Jain

Mr. Anil Kumar Rao

Mr. Chottu Ram Sharma

Mr. Shri Vilas Mani Tripathi

Mr. Dharam Vir Gupta

Mr. Pradeep Kumar Mittal

Mr. Lajpat Rai Jain

Signed by the Senior Vice President (Corporate)

Mr. Sunil Dutt Jain

Date: January 15, 2008
Place: New Delhi