DRAFT RED HERRING PROSPECTUS
Dated January 16, 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

ASHOKA BUILDCON LIMITED

(Our Company was incorporated as Ashoka Buildcon Private Limited on May 13, 1993 under the Companies Act, 1956. The word "private" was deleted on April 22, 2002 and our Company was converted into a public limited company. For details of changes in the name and registered office of the Company, please refer to "History and Certain Corporate Matters" on page 106 of this Draft Red Herring Prospectus)

Registered Office: Ashoka House, Ashoka Marg, Nashik, Maharashtra - 422 011
Tel: (91 253) 3011705; **Fax**: (91 253) 2422704
Website: www.ashokabuildcon.com; **Email**: investors@ashokabuildcon.com; **Contact Person**: Manoj A. Kulkarni, Company Secretary and Compliance Officer.

PUBLIC ISSUE OF 8,100,000 EQUITY SHARES OF Rs. 10 EACH OF ASHOKA BUILDCON LIMITED ("ABL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [●] PER EQUITY SHARE) AGGREGATING Rs. [●] MILLION (THE "ISSUE"). THE ISSUE COMPRISES A NET ISSUE OF 7,938,000 EQUITY SHARES TO THE PUBLIC AND A RESERVATION OF 162,000 EQUITY SHARES FOR ELIGIBLE EMPLOYEES. THE ISSUE WOULD CONSTITUTE 15.05% OF THE POST ISSUE PAID UP CAPITAL OF THE COMPANY. THE NET ISSUE WOULD CONSTITUTE 14.75% OF THE POST ISSUE PAID UP CAPITAL OF THE COMPANY.

PRICE BAND: Rs. [●] TO Rs. [●] PER EQUITY SHARE OF FACE VALUE OF RS. 10 EACH

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [●] TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate Members.

In terms of Rule 19(2)(b) of the Securities Contracts Regulations Rules, 1957, this being an issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (QIB) Bidders. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 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. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money shall be refunded forthwith.

RISKS IN RELATION TO FIRST ISSUE

This being the first issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. **The face value of the shares is Rs. 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value.** The Issue Price (as determined by the Company in consultation with the Book Running Lead Managers 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.

IPO GRADING

This Issue has been rated by [●] as [●] (pronounced [●]) indicating [●] and by [●] as [●] (pronounced [●]) indicating [●]. For details see the section titled "General Information" on page 14 of this Draft Red Herring Prospectus.

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 the 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" beginning on page x of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company having made all reasonable inquiries, accepts responsibility for and confirm that this Draft Red Herring Prospectus contains all information with regard to the 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 make 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 ARRANGEMENT

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the NSE and BSE. We have received an 'in-principle' approval from the NSE and the BSE, for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE
IDFC-SSKI PRIVATE LIMITED*	**ENAM SECURITIES PRIVATE LIMITED**	**KOTAK MAHINDRA CAPITAL COMPANY LIMITED**	**INTIME SPECTRUM REGISTRY LIMITED**
803-4 Tulsiani Chambers, 8th Floor, Nariman Point, Mumbai 400 021, India. Tel: (91 22) 6638 3344 Fax: (91 22) 2204 0282 E-mail ashoka.ipo@idfcsski.com Investor Grievance Email: complaints@idfcsski.com Website: www.sski.co.in Contact Person: Ms. Anjali Peri SEBI Reg. No. INM000010254 *(name being changed from SSKI Corporate Finance Private Limited subject to regulatory approvals)*	801/802, Dalamal Towers Nariman Point, Mumbai - 400 021, India Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 E-mail: abl.ipo@enam.com Investor Grievance Email: complaints@enam.com Website: www.enam.com Contact Person:Mr. Sachin Chandiwal SEBI Reg. No. INM000006856	3rd Floor, Bakhtawar, 229, Nariman Point, Mumbai-400 021, India Tel: (91 22) 5634 1136 Fax: (91 22) 2284 0492 Email: ashoka.ipo@kotak.com Investor Grievance Email: kmccredressal@kotak.com Website: www.kotak.com Contact Person: Mr. Chandrakant Bhole SEBI Reg. No. INM000008704	C 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 Tel: (91 22) 2596 0320 Fax: (91 22) 2596 0329 Email: abl.ipo@intimespectrum.com Contact Person: Mr. Sachin Achar SEBI Reg. No. INM000003761

ISSUE PROGRAMME	
BID/ISSUE OPENS ON : [●]	**BID/ISSUE CLOSES ON : [●]**

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DEFINITIONS AND ABBREVIATIONS

Term	Description
"ABL", "our Company", the "Company", the "Issuer"	Unless the context otherwise requires, refers to Ashoka Buildcon Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Ashoka House, Ashoka Marg, Nashik, Maharashtra 422 011, India.
"We", "Us", "Our"	Unless the context otherwise requires, means Ashoka Buildcon Limited and its subsidiaries, joint ventures and associates.

Company Related Terms

Term	Description
Articles/Articles of Association	means the Articles of Association of the Company
Auditors	means the statutory auditors of the Company; Messrs. M. P. Chitale & Co., Chartered Accountants
Board of Directors/Board	means the board of directors of the Company or a committee constituted thereof
Directors	means the Directors of the Company, unless otherwise specified
IDFC PE II	means IDFC Infrastructure Fund 2, being a trust created under the Indian Trust Act, 1882 and a venture capital fund registered under SEBI (Venture Capital Funds) Regulations 1996 (of which IDFC PE II is a unit scheme)
Memorandum/ Memorandum of Association	means the Memorandum of Association of the Company
Order Book	means the unfinished or uncertified value of EPC contracts and work orders and includes the estimated cost of construction of the unfinished portions of the Company's BOT projects (which costs are capitalised on the date we start collect tolls of the projects)
Promoters	means our promoters being Mr. Ashok M. Katariya, Mr. Satish D. Parakh, Mr. Ashish A. Katariya, Mr. Aditya S. Parakh, Ms. Shweta A. Katariya and Ashoka Bitucon Exim Private Limited
Promoter Group Companies	Unless the context otherwise requires, refers to those companies mentioned in the section titled "Our Promoters" on page 141 of this Draft Red Herring Prospectus
Registered Office of the Company	Ashoka House, Ashoka Marg, Nashik, Maharashtra - 422 011, India.
Scheme of Amalgamation	means the scheme of amalgamation under the Companies Act approved by the Bombay High Court on December 3, 2004 of Ashoka Info Private Limited, Ashoka Infra Private Limited, Ashoka Vastu Private Limited, Ashoka Vastu Shilp Private Limited, Ashoka Shilp Vikas Private Limited and Ashoka Construction Engineers Private Limited with the Company
Share Subscription and Shareholders' Agreement	Share Subscription and Shareholders' Agreement dated July 11, 2006 as amended on December 10, 2007 between Ashoka Buildcon Limited, Mr. Ashok Katariya, Mr. Sunil Raisoni, Mr. Satish Parakh, Mr. Narendra Sakhadwipi, Ashoka Buildwell and Developers Private Limited, AP Equipment, Shubham Developers, Ashoka Township, Ashoka Bitucon Exim Private Limited, Ashoka Builders (Nasik) Private Limited, and other shareholders of the Company and IDFC Infrastructure Fund 2.

Issue Related Terms

Term	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to the successful Bidders
Allottee	means the successful Bidder to whom the Equity Shares are being/have been Allotted
Banker(s) to the Issue	[●]
Bid	means an indication to make an offer during the Bidding/Issue Period by a prospective investor to subscribe to the Company's Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	means the highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid cum Application Form	means the form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for issue of the Equity Shares pursuant to the terms of this Draft Red Herring Prospectus.
Bid /Issue Closing Date	means the date after which the Syndicate will not accept any Bids for this Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper each with wide circulation, including any revisions.
Bidder	means 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	means the period between the Bid Opening Date /Issue Opening Date and the Bid Closing Date/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Bid/Issue Opening Date	means the date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in a widely circulated English national newspaper, a Hindi national newspaper, and a Marathi newspaper each with wide circulation
Book Building Process	means the book building process as provided under Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made
BRLMs/Book Running Lead Managers	means the Book Running Lead Managers to the Issue, in this case being IDFC-SSKI Private Limited (name being changed from SSKI Corporate Finance Private Limited, subject to regulatory approvals), Enam Securities Private Limited and Kotak Mahindra Capital Company Limited
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	means the higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
Cut-off Price	means any price within the Price Band finalised by the Company in consultation with the BRLMs. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band
Designated Date	means the date on which the Escrow Collection Banks transfer funds from the Escrow Account(s) to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]

Term	Description
Draft Red Herring Prospectus	means this Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars on the price at which the Equity Shares are offered and the size (in terms of value) of the Issue
Eligible Employees	means permanent employees of the Company as on January 1, 2008 who are Indian nationals based in India and are present in India on the date of submission of the Bid-cum-Application Form
Eligible NRI	means NRIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an offer to sell or an invitation to the Equity Shares Allotted herein
Employee Reservation portion	means the portion of the Issue being up to 162,000 Equity Shares available for allocation to Eligible Employees
Equity Shares	means Equity shares of the Company of face value of Rs. 10 each, unless otherwise specified in the context thereof
Escrow Account	means an account opened with an Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a bid
Escrow Agreement	means an Agreement entered into amongst the Company, the Registrar, the Escrow Collection Bank(s), the BRLMs, and the Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Collection Bank(s)	means the banks, which are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Escrow Account will be opened and in this case being [●]
First Bidder	means the Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	means the lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted
IPO	means Initial Public Offering
Issue	means Public Issue of 8,100,000 Equity Shares of Rs. 10 each of the Issuer for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating Rs. [●] million
Issue Account	means an account opened with the Banker(s) to the Issue to receive monies from the Escrow Accounts for the Issue on the Designated Date
Issue Price	means the final price at which Equity Shares will be Allotted in the Issue, as determined by the Company in consultation with the BRLMs on the Pricing Date
Margin Amount	means the amount paid by the Bidder at the time of submission of his/her Bid, which may range from 10% to 100% of the Bid Amount
Mutual Funds	means a mutual fund registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Funds Portion	means 5% of the QIB Portion or 238,140 Equity Shares (assuming the QIB Portion is for 60% of the Net Issue Size) available for allocation to mutual funds only out of the QIB portion
Net Issue	means the Issue less the Employee Reservation Portion
Non-Institutional Bidders	means 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 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	means the portion of this Net Issue being not less than 793,800 Equity Shares available for allocation to Non Institutional Bidders
Pay-in-Date	means the Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	means with respect to Bidders whose Margin Amount is 100% of the Bid

Term	Description
	Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date; and 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 until the closure of the Pay – in Date
Price Band	means the price band with a minimum price (Floor Price) of Rs. [•] and the maximum price (Cap Price) of Rs. [•], including any revisions thereof
Pricing Date	means the date on which the Company in consultation with the BRLMs finalize the Issue Price
Prospectus	means 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	means an account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for this Issue on the Designated Date
Qualified Institutional Buyers or QIBs	means Public financial institutions as defined in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, foreign venture capital investors registered with 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.
QIB Margin Amount	means an amount representing at least 10% of the Bid Amount.
QIB Portion	means the portion of the Net Issue to public being at least 4,762,800 Equity Shares each at the Issue Price, required to be allocated to QIBs
Refund Account(s)	means Account(s) opened with an Escrow Collection Bank from which refunds if any, shall be made
Registrar /Registrar to the Issue	means Registrar to the Issue, in this case being Intime Spectrum Registry Limited
Retail Individual Bidders	means individual bidders (including HUFs and Eligible NRIs) 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	means the portion of the Net Issue to the public being not less than 2,381,400 Equity Shares available for allocation to Retail Individual Bidder(s)
Revision Form	means 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 red herring prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus which will be filed with the RoC at least three days before the Bid Opening Date and will become a Prospectus after filing with the RoC after the Pricing Date
Stock Exchanges	means the NSE and the BSE
Syndicate	means the BRLMs and the Syndicate Members
Syndicate Agreement	means the agreement to be entered into among the Company and the Syndicate in relation to the collection of Bids in this Issue
Syndicate Members	[•]
TRS or Transaction Registration Slip	means the slip or document issued by the Syndicate Members to the Bidder as proof of registration of the Bid
Underwriters	means the BRLMs and the Syndicate Members

Term	Description
Underwriting Agreement	means the agreement among the members of the Syndicate and the Company to be entered into on or after the Pricing Date

Technical and Industry Terms

Term	Description
BOT	means Build, Operate and Transfer
BOOT	means Build, Own, Operate and Transfer
BOLT	means Build, Operate, Lease and Transfer
BOQ	means Bill of Quantities
COD	means Commercial Operation Date
Cu. Mtr.	means Cubic Meters
DBFO	means Design-Build-Finance-Operate
EPC	means Engineering, Procurement and Construction
Km.(s)	means Kilometer(s)
MCGM	means Municipal Corporation of Greater Mumbai
MHADA	means Mumbai Housing and Area Development Authority
MoP	means Ministry of Power
MTPA	means Million tonnes per annum
NABARD	means National Bank for Agricultural & Rural Development
NHAI	means National Highways Authority of India
NHDP	means National Highways Development Project
O&M	means Operations and Maintenance
PPP	means Public Private Partnership
PWD	means Public Works Department
RCC	means Reinforced Concrete Construction
RFQ	means Request for Qualification
RFP	means Request for Proposal
RMC	means Ready-Mix Concrete
SPV(s)	means Special Purpose Vehicle(s)

Conventional/General Terms

Term	Description
AGM	means Annual General Meeting
AS	means Accounting Standards issued by the Institute of Chartered Accountants of India
AY	means Assessment Year
BIFR	means Board for Industrial and Financial Reconstruction.
BSE	means Bombay Stock Exchange Limited
CAGR	means Compounded Annual Growth Rate
CDSL	means Central Depository Services (India) Limited
CIN	means Corporate Identification Number
Companies Act	means the Companies Act, 1956, as amended from time to time
Depositories Act	means the Depositaries Act, 1996, as amended from time to time
Depository	means a body corporate registered under the SEBI (Depositaries and Participant) Regulations, 1996, as amended from time to time
Depository Participant	means a depository participant as defined under the Depositories Act, 1996
DIN	means Director Identification Number
FVCI	means a Foreign Venture Capital Investor registered with SEBI under SEBI (Foreign Venture Capital Investors) Regulations, 2000
DGFT	means the Director General of Foreign Trade

Term	Description
EBITDA	means Earnings Before Interest, Tax, Depreciation & Ammortisation
ECS	means Electronic Clearing System
EGM	means Extraordinary General Meeting
EPS	means Earning Per Share
Electronic Transfer of Funds	means Refunds through ECS, NEFT, Direct Credit or RTGS as applicable
FDI	means Foreign Direct Investment
FEMA	means Foreign Exchange Management Act, 1999, as amended from time to time and the regulations framed thereunder
FII	means Foreign Institutional Investor (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	means Foreign Investment Promotion Board, Government of India
Financial Year /fiscal year/FY/ fiscal	means period of twelve months ended March 31 of that particular year, unless otherwise stated
GIR Number	means General Index Registry Number
Government/ GOI	means the Government of India
HUF	means Hindu Undivided Family
IDFC	means Infrastructure Development Finance Company Limited
I.T. Act	means the Income Tax Act, 1961, as amended from time to time
Indian GAAP	means Generally Accepted Accounting Principles in India
MICR	means Magnetic Ink Character Recognition
NAV	means Net Asset Value
NBFC	means Non-Banking Financial Company
NEFT	means National Electronic Funds Transfer
NOC	means No Objection Certificate
Non Residents/NR	means 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	means 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	means Non-Resident Ordinary Account
NSDL	means National Securities Depository Limited
NSE	means the National Stock Exchange Limited
OCB/ Overseas Corporate Body	means 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	means Per Annum
PAT	means Profit after tax
PBT	means Profit before tax
P/E Ratio	means Price/Earnings Ratio
PAN	means Permanent Account Number
Person/Persons	means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
PIO/ Person of Indian	Shall have the same meaning as is ascribed to such term in the Foreign

Term	Description
Origin	Exchange Management (Investment in Firm or Proprietary Concern in India) Regulations, 2000
PLR	means the Prime Lending Rate
Project Cost	comprises the EPC costs, the interest during construction on the debt financing for the project and other expenses incidental to the project during the construction period plus major maintenance expenses during the maintenance period of the project
Re.	means One Indian Rupee
RBI	means the Reserve Bank Of India
Reserve Bank of India Act/RBI Act	means the Reserve Bank of India Act, 1934, as amended from time to time
RoC/Registrar of Companies	means the Registrar of Companies, Maharashtra at Mumbai located at Everest 5th Floor, 100, Marine Drive, Mumbai 400 002
RoNW	means Return on Net Worth
Rs.	means Indian Rupees
RTGS	means Real Time Gross Settlement Process
SCRA	means Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	means Securities Contract (Regulation) Rules, 1957, as amended from time to time
SEBI	means the Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Guidelines	means SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI in relation thereto from time to time
SEBI Takeover Regulations	means Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time
SICA	means Sick Industrial Companies (Special Provisions) Act, 1985
UIN	means Unique Identification Number
VCF	means Venture Capital Fund registered under the SEBI (Venture Capital Fund) Regulations, 1996

CERTAIN CONVENTIONS; USE OF MARKET DATA

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our financial statements prepared in accordance with Indian GAAP and included in this Draft Red Herring Prospectus. Our current fiscal year commences on April 1 and ends on March 31 of next 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, IFRS and U.S. GAAP. Accordingly, the degree to which the Indian GAAP financial statements 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 "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations on a Consolidated Basis" and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated consolidated and unconsolidated financial statements 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, please see the section titled "Definitions and Abbreviations" on page i of this Draft Red Herring Prospectus. In the section titled "Main Provisions of Articles of Association" on page 355 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles.

Use of Market data

Unless stated otherwise, industry data used throughout this Draft Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified.

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

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements." All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. All forward looking statements are subject to risks, uncertainties and assumptions about us 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:

- Any change in government policies resulting in a decrease in the amount of road and bridge projects undertaken or a decrease in private sector participation in road and bridge projects;
- If our actual expenses in executing projects vary substantially from the assumptions underlying our bid and we are unable to recover all or some of the additional expenses;
- If we are unable to pass on unanticipated increases in the price of construction materials, fuel, labour or other inputs;
- If we experience insufficient cash flows or are unable to obtain the necessary funds to allow us to make required payments on our debt or fund our working capital requirements;
- If we are unable to get an adequate and timely supply of key materials such as steel, cement and aggregates;
- If there is any material decrease between the actual traffic volume and our forecast traffic volume for a toll-based BOT project;
- If one or more of the projects included in our Order Book are delayed, cancelled or not fully paid for by our clients;
- If we are unable to effectively manage larger projects and our growth generally;
- If we are unable to attract, recruit and retain skilled personnel;
- If we are unable to claim tax incentives under Section 80IA of the IT Act;
- If we are unable to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business; and
- If our joint venture partners, members of special purpose vehicles and sub-contractors default on their obligations and they do not have adequate financial resources to meet their indemnity obligations to us.

For further discussion of factors that could cause our actual results to differ, see the section titled "Risk Factors" beginning on page x 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 BRLMs 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.

RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding of our business, you should read this section in conjunction with the sections entitled "Business" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations on a Consolidated Basis" beginning on pages 73 and 252, respectively, of this Draft Red Herring Prospectus, together with all other financial information contained in this Draft Red Herring Prospectus. We are not in a position to specify or quantify the financial or other implications to us if any of the following risks occur. However, if any of the following risks occur, our business, results of operations and financial condition could be materially and adversely affected and the price of our Equity Shares could decline, causing you to lose part or all of the value of your investment in our Equity Shares.

Internal Risk Factors

1. There are outstanding litigations against the Company, our Directors, our Promoters and our Promoter Group entities.

We are defendants in certain legal proceedings incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Additionally, there are certain instances of regulatory non-compliance by us. In the event of rulings against us by courts or tribunals in these proceedings or levy of penalties by statutory authorities, we may need to make payments to others or book provisions against probable future payments, which could increase our expenses and our current liabilities.

There are certain claims pending in various courts and authorities at different levels of adjudication against our Directors and our Promoter Group entities.

Litigation involving the Directors of the Company

Nature of the cases/claims	**No. of cases filed**	**Amount involved (in Rs. million)**
Criminal	2	1.38
Complaints under Section 138 of the Negotiable Instruments Act	17	6.92
Civil	9	N.A.
Motor Accidents Claims Tribunal	1	0.12
Income Tax	6	28.06

Litigation against the Company

Nature of the cases/ claims	**No. of cases filed**	**Amount involved (in Rs. million)**
Civil	14	3.87
Labour	12	3.16
Motor Accidents Claims Tribunal	6	7.73
Criminal	4	N.A.
Income Tax	15	97.12
Excise	1	N.A.
Sales Tax	1	N.A.
Customs	1	3.8
Arbitration	2	105.02

Litigation by the Company

Nature of the cases/ claims	No. of cases filed	Amount involved (in Rs. million)
Civil	11	96.67
Complaints under Section 138 of the Negotiable Instruments Act	24	8.745
Tax Cases	1	4.36
Arbitration	10	830.25

Litigation involving the subsidiaries of the Company

Nature of the cases/ claims	No. of cases filed	Amount involved (in Rs. million, except where mentioned otherwise)
Civil	2	N.A.
Criminal	2	N.A.
Complaints under Section 138 of the Negotiable Instruments Act	1	0.07
Commercial Tax	2	5.52
Arbitration	1	N.A.

Litigation involving Promoters (except the Promoters who are also Directors of the Company)

Nature of the cases/ claims	No. of cases filed	Amount involved (in Rs. million, except where mentioned otherwise)
Civil	1	N.A.

Litigation involving Promoter Group

Nature of the cases/ claims	No. of cases filed	Amount involved (in Rs. million)
Criminal	6	2.17
Civil	15	185.54
Consumer	2	0.07
Motor Accidents Claim Tribunal	8	3
Negotiable Instruments Act	5	0.70
Arbitration	3	26.90
Income Tax	2	N.A.
Labour	1	0.07

For further details of outstanding litigations against the Company, our Directors, our Promoters and our Promoter Group, please see the section titled "Outstanding Litigations and Material Developments" on page 277 of this Draft Red Herring Prospectus**.**

2. We have entered into transactions with related parties and we expect we will continue to do so.

We have entered into certain transactions with related parties, including our Promoter Group, Directors and our employees. For detailed information on our related party transactions, see the section titled "Related Party Transactions" on page 174 of this Draft Red Herring Prospectus. While we believe that those transactions have been conducted on, and have commercial terms consistent with, an arm's length

basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

3. ***Our business is substantially dependent on road and bridge projects in India undertaken or awarded by governmental authorities and other entities funded by governments and any change in government policies resulting in a decrease in the amount of road and bridge projects undertaken or a decrease in private sector participation in road and bridge projects may adversely affect our business and results of operations.***

Our business is substantially dependent on road and bridge projects in India undertaken or awarded by governmental authorities and other entities funded by governments or international and multilateral development finance institutions. Contracts for the construction of roads and bridges awarded by the Central Government, state governments and municipalities in India accounted for approximately 97.88% of our Order book as at November 30, 2007. Sustained increases in budgetary allocations by the Central Government and various state governments for investments in the infrastructure sector, the development of structured and comprehensive infrastructure policies that encourage greater private sector participation and increased funding by international and multilateral development financial institutions in infrastructure projects in India have resulted in and are expected to continue to result in increases in the amount of road and bridge projects undertaken in India. If there is any change in governmental policies that result in a slowdown in the development of road and bridge projects or a decrease in the participation of the private sector in such projects, our business and results of operations could be materially and adversely affected.

4. ***The majority of our expenses relate to the construction of projects on a fixed-price contract and a build, operate and transfer ("BOT") basis. The construction of projects we work on generally takes more than a year and can take as much as three years. In addition, especially for BOT projects, there is often a delay of more than 180 days between the submission of our tender and the beginning of construction work. Due to the often long-period between the submission of our tender and completing the construction of a project, our actual expenses in executing a fixed-price contract or in constructing a project the subject of a BOT agreement may vary substantially from the assumptions underlying our bid and we may be unable to recover all or some of the additional expenses, which may have a material adverse effect on our results of operations and financial condition.***

Under the terms and conditions of fixed-price contracts, we generally agree to construct a project for a fixed price, subject to contract variations covering changes in the client's project requirements. Under the terms and conditions of agreements for BOT projects, we generally agree to pay to, or receive from, the client awarding the concession an agreed sum of money, subject to contract variations covering changes in the client's project requirements. Many of our fixed-price contracts and agreements for the construction phase of BOT projects contain limited or no price escalation clauses covering increases in the cost of construction materials, fuel, labour and other inputs, and we expect to enter into more of these types of contracts in the future.

Our actual expense in executing a fixed-price contract or in constructing a project the subject of a BOT agreement may vary substantially from the assumptions underlying our bid for several reasons, including:

- unanticipated increases in the cost of construction 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.

Depending on the size of a project, variations from estimated contract performance could have a material adverse effect on our results of operations and financial condition.

5. If the price of construction materials, fuel, labour or other inputs increases unexpectedly and we are unable to pass on such increases to our client or in the case of a BOT project either increase the tolls or increase the concession period to enable us to recoup such price increases, it could have a material adverse effect on our results of operations and financial condition.

The cost of construction materials, fuel, labour and other inputs constitutes a significant part of our operating expenses. The purchase of construction materials constituted 13.22% and 15.13% of our total expenditure for fiscal 2007 and the six months ended September 30, 2007, respectively. Fuel costs for operating our construction and other equipment constituted 2.61% and 3.98% of our total costs for fiscal 2007 and the six months ended September 30, 2007, respectively. Labour charges and sub-contracting charges constituted 31.70% and 33.81% of our total expenditure for fiscal 2007 and the six months ended September 30, 2007, respectively. Labour costs for skilled personnel, such as engineers, have increased approximately 50% in the past year and the cost of unskilled construction labour has increased in the same period by approximately 35%. Our ability to pass on unanticipated increases in the price of construction materials, fuel, labour and other inputs may be limited in the case of EPC fixed-price contracts, contracts with limited price escalation provisions and BOT projects. If we are unable to pass on such unanticipated price increases to our clients or in the case of a BOT project either increase the tolls or extend the concession period to enable us to recoup such price increases, it could have a material adverse effect on our results of operations and financial condition.

6. The timely and cost effective construction of our projects is dependent on the adequate and timely supply of key raw materials such as steel, aggregate, bitumen and concrete.

The timely and cost effective construction of our projects is dependant on the adequate and timely supply of key materials such as steel, aggregate, bitumen and concrete. We have not entered into any long-term supply contracts. The Construction Industry Development Council forecast spending on construction in India to total Rs. 14,560 billion over the five-year period fiscal 2008 to fiscal 2012, which would result in increased demand for construction materials and may make the adequate and timely supply of construction materials more difficult to obtain. Additionally, we typically use third-party transportation providers for the supply of most of our construction materials, except for concrete and bitumen, which is typically supplied by our RMC and bitumen division. Transportation strikes by 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. If we are unable to procure the requisite quantities of construction materials, our business, results of operations and financial condition may be adversely affected.

7. Our ready-mix concrete business is dependent on the adequate and timely supply of cement.

Sales of ready-mix cement to third parties were approximately 10.03% and 17.23% of our total revenue for fiscal 2007 and the six months ended September 30, 2007, respectively. Our ready-mix concrete business is dependent on the adequate and timely supply of cement. We have not entered into any long-term supply contracts with our suppliers of cement. In the past, we have experienced some difficulties and delays in obtaining adequate supplies of cement. If we cannot obtain adequate supplies of cement not only could it have an adverse effect on our EPC business but we may be unable to sell ready-mix cement to third parties, which could have a material adverse effect on our ready-mix concrete business and our results of operations and financial condition.

8. Our business is substantially dependent on us accurately forecasting traffic volumes for toll-based BOT projects and contracts to collect tolls. Any material decrease between the actual traffic volume and our forecast traffic volume for a toll-based BOT project or a contract to collect tolls could have a material adverse effect on our cash flows, results of operations and financial condition

Projects that we undertake on a BOT basis involve agreements that are long-term in nature, normally involving a concession period ranging from five to 25 years. When preparing our tender for a toll-based BOT project (a road or a bridge) or a contract to collect tolls, we need to forecast the traffic volume for the road or bridge in order to work out our expected revenue over the concession period or the contract period, as applicable, in order to arrive at the price we are going to bid to pay or be paid for taking on such BOT project or contract. In addition, on completing the construction of a toll-based BOT project, we generally refinance the loan on the project and increase the amount of debt outstanding on the project. As part of the refinancing of the loan, we are required to submit new updated traffic forecasts to the lender or lenders. In such instances, if the traffic volume is less than our forecast traffic volume, the revenue from the BOT project may be less than the interest payable on the outstanding loan. Therefore, if our forecast for traffic volume on a toll-based BOT project is more than the actual traffic volume, it could have a material adverse effect on our cash flows, results of operations and financial condition. In addition, the awarding of a BOT project is subject to a competitive tender and if we are too conservative in our forecast of traffic volumes, we may under bid and will not be awarded the BOT project. We rely on our in-house traffic forecasting department to forecast traffic volumes for toll-based BOT projects and tenders for toll collection contracts. Although we have had more than 10 years of experience in forecasting traffic volumes, the forecasting of traffic volumes is not an exact science, and we cannot assure you that our forecasts will be accurate.

9. Our ability to increase tolls on a BOT project is limited by the terms of the contract governing the BOT project and future increase in tolls may be inadequate to meet increases in maintenance and operating costs and debt payments over the project's life.

The tolls we are permitted to charge with respect to a BOT project are established in the project contract by the governmental client and are subject to escalation over the life of the project based on the increase in the Indian consumer price index (CPI), a fixed percentage or the amounts set forth in the agreement itself. If the increases in tolls do not keep pace with increases in costs of materials and labour for maintaining and operating the project or increases in interest rates payable on the loan or loans for the project, it could have a material adverse effect on our results of operations and financial condition.

10. We have high working capital requirements and require significant debt to finance our infrastructure projects. If we experience insufficient cash flows to allow 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 great deal of working capital. In many cases, significant amounts of working capital are required to finance the purchase of materials, the hiring of equipment 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.

We normally fund the construction of our BOT projects with approximately 30% of equity capital and 70% of debt. In some cases, a portion of our equity capital is funded through the issuance of fixed return obligations to third parties making that portion of the equity effectively mezzanine debt. Normally, we would not fund a project with more than 10% in mezzanine debt. Therefore, funding our working capital requirements requires access to debt at reasonable interest rates. If interest rates increase, our ability to service our debt and our ability to obtain additional debt for future projects could be adversely affected with a concurrent adverse effect on our financial position and results of operations.

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 large projects and more projects with an overlapping timeframe and due to the growth of the Company's business generally. All of these factors have resulted and will continue to result 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.

We will need significant additional working capital to finance our future business plans. Due to various factors, including certain extraneous factors such as changes in interest rates or borrowing and lending restrictions, 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.

11. Out of the 18 BOT projects we have constructed, we have leveraged 14 of these by borrowing additional amounts in order to generate additional working capital. If we are unable to secure additional debt on reasonable interest rates and terms on completing the construction of a BOT project, it could have a material adverse effect on our ability to grow our business.

In order to generate additional working capital, on completion of the construction of 14 out of 18 of our BOT projects, we have refinanced the debt taken for the construction of the project and increased the debt outstanding on the project to as much as 150% of the cost of the project. When we have completed the construction of a BOT project, there is no longer a construction risk on the project and lenders have been willing to lend us more money on the project – generally more than the contract value of the EPC construction portion of the project. If credit markets tighten and we are unable to obtain additional working capital through this financing method or if interest rates increase, our ability to obtain additional working capital to meet our growth needs on reasonable terms will be negatively impacted.

12. 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 at September 30, 2007, on a consolidated basis, Rs. 101.83 million, or 43.85%, of our accounts receivable (considered good) were outstanding for a period of more than six months. Of the total debtors outstanding as at September 30, 2007, Rs. 2.25 million or 0.97% 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.

13. Our BOT projects enjoy certain benefits under Section 80IA of the Income Tax Act, 1961 and any change in these tax benefits applicable to us may adversely affect our results of operations.

Presently, infrastructure development projects, including BOT projects, enjoy certain benefits under Section 80IA of the Income Tax Act, 1961. As a result of these incentives, most of the SPVs for our

BOT projects are subject to relatively low tax liabilities. The income tax exemptions for various BOT projects expire at various points of time. There is no assurance that the BOT projects will continue to enjoy the tax benefits under Section 80IA in future. When the tax incentives expire or terminate, our tax expense will materially increase, reducing our profitability.

14. Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.

We currently have operations and staff spread across nine states and Union Territories in India. 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 regulations 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. We are involved in various disputes with tax authorities. For details of these disputes, please see the section titled "Outstanding Litigation and Material Developments–Tax Cases" on page 284 of this Draft Red Herring Prospectus. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year.

Taxes and other levies imposed by the Central or state governments in India that affect our industry include customs duties, excise duties, VAT, income tax, service tax and other taxes, duties or surcharges introduced from time to time. The Central and state tax scheme in India is extensive and subject to change from time to time. Although most of our BOT agreements provide for compensation due to changes in law, which includes changes in tax laws, any adverse changes in any of the taxes levied by the Central or state governments could adversely affect our competitive position and profitability.

15. Projects included in our Order Book could 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 as at November 30, 2007 was Rs. 14,998.52 million. Our Order Book does not necessarily indicate future earnings related to the performance of that work. Order Book projects represent business that is considered firm, but cancellations or scope or schedule adjustments could occur. We could 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 could 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 project scope and schedule, 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 the project. In addition, even where a project proceeds as scheduled, the contracting parties could 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.

16. We plan to bid for larger projects and grow our business and if we fail to effectively manage larger projects and our growth generally, it could disrupt our business and reduce our profitability.

We have experienced considerable growth in recent years. On a consolidated basis, our total turnover (operating income) was Rs. 1,371.87 million, Rs. 1,791.36 million. Rs. 4,030.89 million and Rs. 1,624.84 million in fiscal 2005, fiscal 2006, fiscal 2007 and the six months ended September 30, 2007, respectively. In addition, we are continually bidding for and being awarded larger BOT projects. We expect our business to continue to grow as we gain greater access to financial resources and are awarded larger and potentially more profitable projects by our clients. While larger projects provide the opportunity for greater profitability, they also pose greater challenges and risk. We expect our strategy of bidding for larger projects and our growth generally to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, taking on larger projects and 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;
- requirements for increased amount of working capital and, therefore, increasing amounts of debt financing;
- maintaining high levels of client satisfaction; and
- adhering to health, safety, and environmental standards.

If we fail to effectively manage larger projects or our growth generally, it could have an adverse effect on our business, results of operations and financial condition.

17. 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. A significant number of our employees are skilled engineers, and 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 could experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for our business needs. In the last year, wages for skilled personnel have increased by as much as double. We may need to further 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, results of operations and financial condition.

18. Contracts awarded to us by governments or government-backed entities may be unilaterally terminated if it is in the public interest.

One of the standard conditions in contracts typically awarded by governments or government-backed entities is that the government or entity, as the client, has the right to terminate the contract if it is in the public interest, at any time after providing us with notice that may vary from a period of 30 to 90 days. In addition, governmental clients retain certain rights to terminate BOT contracts prior to the expiration of the concession period. However, the amount of compensation received under the terms of the contract may be less than the amount of profit we would have made had we retained the right to operate

the concession until the end of the concession period. The amount of compensation we would receive in such circumstances is based in part on our traffic volume forecasts we made at the time of the submission of our tender for a BOT project. Out of the 18 BOT projects we have constructed, we have leveraged 14 of these by borrowing additional amounts in order to generate additional working capital. We were able to borrow more money on these BOT projects based in part on updated forecasts for traffic volume, which may be higher than that originally forecast. If that was the case, the amount of compensation could be less than the outstanding loan on the project. Therefore, the termination of a BOT contract prior to the expiration of the concession period could have a material adverse effect on our results of operations and financial condition.

19. Our agreements for our toll-based BOT projects contain limited protection against new roads and bridges being built to compete against them.

The agreements for the toll-based BOT projects awarded to us by the NHAI provide that the NHAI will not build or award a contract to build a competing project for a period of eight years from the appointment date (180 days from the date of the concession agreement) of the project. However, for those projects we may be subject to competition from new roads or bridges, as the case may be, developed by the relevant state governments, which are not subject to the control of the NHAI. Our toll-based BOT projects awarded to us by various state governments typically do not provide such protection. If a new road or bridge is built that competes with one of our toll-based BOT projects, the volume of traffic on that project may decrease, resulting in a decrease in toll revenue from that project, which could have a material adverse effect on our results of operations and financial condition.

20. We face significant competition.

We operate in a competitive environment. The competition for EPC contracts and BOT projects varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. Some of the EPC businesses and BOT project businesses we compete against have greater financial resources, economies of scale and operating efficiencies. We also face competition for sales of ready-mix concrete and bitumen and in winning contracts for collecting tolls on roads/bridges owned and constructed by third parties. There can be no assurance that we can continue to effectively compete with our competitors in the future, and the failure to compete effectively may have an adverse effect on our business, financial condition and results of operations. For more information concerning our competitors, please see "Our Business–Competition" beginning on page 100 of this Draft Red Herring Prospectus.

21. Due to requirements with respect to capital adequacy, technical or other requirements, we may be unable to qualify to bid for certain larger EPC contracts and BOT projects unless we team up with a third party and bid for the project through a joint venture or special purpose vehicle.

In order to be able to bid for certain larger scale projects, we enter into memoranda of understanding or joint venture agreements with various other companies to meet capital adequacy, technical or other requirements that may be required as part of the bidding process or execution of the contract. In cases where we are unable to forge an alliance with appropriate companies to meet such requirements, we may lose out on opportunities to bid, which could have an adverse effect on our growth prospects.

22. Our portfolio is increasingly concentrated in certain large-scale projects.

We are increasingly bidding for and winning contracts for BOT projects. There are various risks associated with the execution of large-scale projects. Large contracts may take up an increasingly 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. In addition, we may need to execute large-scale projects through joint ventures with other companies, which exposes us to the risk of default by our joint venture partners. Our three largest projects in terms of outstanding value

represented 89.65% of our Order Book as at November 30, 2007. We believe that our Order Book 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.

23. Our business is relatively concentrated in projects in the states of Maharashtra, Madhya Pradesh and Chhattisgarh.

Although our operations reach across Maharashtra, Madhya Pradesh, Chhattisgarh, Rajasthan, Gujarat, Delhi, Goa, and the Union Territories of Silvassa and Daman, our project portfolio has historically been concentrated in projects in and around the states of Maharashtra and Madhya Pradesh and more recently Chhattisgarh. As at November 30, 2007, approximately 31.54%, 31.64% and 30.96% of our Order Book was comprised of projects in the states of Maharashtra, Madhya Pradesh and Chhattisgarh, respectively. Should there be a regional slowdown in construction or infrastructure projects in those States, then our business, financial condition and results of operations could suffer.

24. Our insurance coverage may not adequately protect us against all losses we incur in our business operations or otherwise.

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 of our contracts, we are required to obtain insurance for the project undertaken by us, 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 it could have a material adverse effect on our results of operations and financial condition.

25. Timely and successful completion of our projects is dependent upon our performance and, in the case of some of our projects, the cooperation of our joint venture partners, other members of special purpose vehicles and sub-contractors. If our joint venture partners, members of special purpose vehicles and sub-contractors default on their obligations and they do not have adequate financial resources to meet their indemnity obligations to us, it could have a material adverse effect on results of operations and financial condition.

We often enter into joint ventures or special purpose vehicles to take on a project or sub-contract part of the work in a project to various sub-contractors. In those instances, the completion of the contract for our client depends in part on the performance of our joint venture partners, other members of the special purpose vehicle and sub-contractors. Delay or failure on the part of a joint venture partner, member of the special purpose vehicle 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 result in our being required to pay damages, lead to forfeiture of security deposits or invocation of performance guarantees and damage our reputation. Damage to our reputation could adversely affect our ability to pre-qualify for projects, which in turn could adversely affect our business and results of operations.

The liability of joint venture partners is joint and several. Therefore, we would be liable for completion of the entire project if a joint venture partner were to default on its duty to perform. The special purpose vehicle is liable to complete the entire project and if another member of the special purpose vehicle did not perform as agreed, we may need to fund the completion of the entire project.

If a joint venture partner, member of a special purpose vehicles or sub-contractor defaults on their obligations and they do not have adequate financial resources to meet their indemnity obligations to us, it could have a material adverse effect on results of operations and financial condition.

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

As at September 30, 2007, we had total secured and unsecured loans of Rs. 4,061.30 million on a consolidated basis. 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, 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 of our Promoter Group entities. Our accounts receivable and inventories, including in some instances the projected revenues from our BOT projects, 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. The major corporate actions for which the Company requires the prior written consent of its lenders comprise the following: effecting any change in its capital structure; formulating any scheme of amalgamation or reconstruction; implementing or undertaking any new project/scheme or acquisition; making any corporate investments or investment by way of share capital or debentures or lend or advance funds to or place deposits with, any other concern except give normal trade credits or place on security deposits in the normal course of business or make advances to employees; provided that the Company may make such investments by way of deposits or advances that are required statutorily to be made as per existing laws of the country or the rules or regulations or guidelines issued from time to time by the authorities concerned; undertaking guarantee obligations on behalf of any third party or any other company; declaring dividends for any year except out of the profits relating to that year; any drastic change in the management set-up of the Company; permitting any transfer of the controlling interest in the Company.

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.

27. We have pledged or have agreed to pledge and will continue to pledge a portion of our shares in our BOT project companies in favour of lenders, who may exercise their rights under the respective pledge agreements in events of default.

We have pledged, or have agreed to pledge, a portion of our shares in our BOT project companies in accordance with loan agreements in favour of the lenders as security for the loans provided to these

companies. If these companies default on their obligations under the relevant financing documents, the lenders may exercise their rights under the share pledges, have the shares transferred to their names and take management control over the pledged companies. If this happens, we will lose the value of any such pledged shares and we will no longer be able to recognize any revenue attributable to them.

28. 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 12 to 60 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 recognize, 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.

29. If we fail to keep pace with technical and technological developments in the construction industry, it could adversely affect our business and results of operations.

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 results of operations.

30. Our business is subject to a variety of environmental laws and regulations. Any failure on our part to comply with applicable environmental laws and regulations could have an adverse effect on our business.

Our operations are subject to numerous environmental protection laws and regulations, which are complex and stringent. We regularly perform work in and around sensitive environmental areas such as rivers, lakes, coastlines and forests. Sanctions for failure to comply with these laws, rules and regulations, many of which may be applied retroactively, may include administrative, civil and criminal penalties, revocation of permits and corrective action orders. Certain environmental laws provide for strict liability for remediation of hazardous substances released on a site. In addition, we incur significant expenditure relating to operating methodologies and standards in order to comply with applicable environmental laws and regulations. Furthermore, we believe environmental regulations in India will become more stringent in the future. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant.

Our clients are generally responsible for obtaining environmental permits required to proceed with the project. Any failure or inability by our clients to retain the requisite permits may have an adverse effect on our business and results of operations.

31. 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 at the requisite time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

32. Failure by us to recover adequately on our claims made by us against our clients for payment or extension of concession periods could have a material adverse effect on our financial condition.

Project claims are claims brought by us against our clients for additional work and costs incurred in excess of the contract price or amounts not included in the contract price. These claims typically arise from changes in the initial scope of work or from delays caused by the client. These claims are often subject to lengthy arbitration, litigation or other dispute resolution proceedings. 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. We have used significant additional working capital in projects with cost overruns pending the resolution of the relevant project claims. To date, we have experienced a favourable success rate in collecting such claims from our clients. However, historically favourable results in claims collection provide no assurance for future success. For further information, please refer to the section titled "Outstanding Litigation and Material Developments" on page 277 of this Draft Red Herring Prospectus.

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

As at September 30, 2007, we had an aggregate amount of Rs. 1,893.30 million of contingent liabilities outstanding on a consolidated basis, of which Rs. 1,037.85 million was for bank guarantees and letters of credit issued by banks in favour of third parties. Clients of construction companies usually demand performance guarantees from construction companies as a safety net against potential defaults. Additionally, construction companies 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. While to date, none of our clients has executed on any of our guarantees or letters of credit as a result of a default by us, there can be no assurance that this positive result will continue in the future. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

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

As at September 30, 2007, we employed 2,078 full-time employees. While we believe that we maintain good relationships with our employees, 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.

35. 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 as described in the section entitled "Objects of the Issue" beginning on page 38 of this Draft Red Herring Prospectus. We have not entered into definitive agreements to utilize a substantial portion of] the net proceeds of the Issue. The purposes for which the net proceeds of the Issue are to be utilized have not been appraised by an independent entity except for IDFC in relation the NH-6 project, 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 and changes in management's views of the desirability of current plans, among others.

Pending utilization of the proceeds out of the Issue for the purposes described in this Draft Red Herring Prospectus, we intend to temporarily invest the funds in high quality interest bearing liquid instruments, including deposits with banks, or temporarily deploy the funds in working capital loan accounts. Such investments would be in accordance with the investment policies or investment limits approved by our Board from time to time. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may include rescheduling of our capital expenditure programmes and an increase or decrease in capital expenditure for a particular purpose different from our current plans for the utilization of the net proceeds.

36. The grant of stock options under our employee stock option plan may result in a charge to our profit and loss account and may adversely impact our results of operations. In addition, the exercise of options to purchase Equity Shares may dilute existing shareholders.

We established our employee stock option plan in December, 2007, in which select employees of the Company can participate. If the exercise price of any option is lower than the fair value of the Equity Shares as certified by qualified accountants or market price at the time of grant, such grant will result in a charge to the Company's profit and loss account equal to the product of the number of Equity Shares granted and the difference between the exercise price and the fair value, which will be amortized over the vesting period of the stock option.

Holders of the Equity Shares may experience dilution of their shareholding to the extent that we issue Shares pursuant to any stock options.

37. Our Promoter Directors and certain Promoter Group entities are engaged in business activities similar to ours.

Our Promoter Directors and certain Promoter Group entities are engaged in business activities similar to those undertaken by us such as construction and civil engineering and this could be a potential source of conflict of interest.

38. We are subject to restrictive covenants under the shareholders' agreement entered into with IDFC PE II that could limit our flexibility in managing our business.

The Company, certain shareholders of the Company and the Promoters have entered into a Share Subscription and Shareholders Agreement (the "Agreement") with IDFC PE Fund II. The Agreement contains certain restrictive covenants, which include the following:

- Appointment of a director to be nominated by IDFC PE Fund II to the Board of Directors of the Company;
- The constitution of a project committee, consisting of two independent directors and the investor director, to evaluate any proposed bid for a project by the Company and/or any project entities;
- IDFC PE Fund II's right of first refusal and tag-along rights,

- IDFC PE Fund II's affirmative voting rights with respect to certain matters as specified in the exhibit to the Agreement.
- Restriction on issuance or transfer of shares of key shareholding companies/project entities.

The restrictive covenants in the Agreement may limit our flexibility in managing our business. For further details regarding the Agreement, please refer to the section titled "History and Certain Corporate Matter–Summary of Key Agreements" beginning on page 110 of the Draft Red Herring Prospectus.

39. Some of the Promoter Group companies have made losses during the last three financial years.

Some of our Promoter Group entities have made losses during the last three financial years. Set forth in the table below are these Promoter Group entities that have made losses and their profit/(loss) after tax for the last three fiscal years.

(Rs. in million)

	Profit/(Loss) After Tax for:		
Name of Promoter Group Entity	**Fiscal 2007**	**Fiscal 2006**	**Fiscal 2005**
Ashoka Bitucon Exim Private Limited	0.01	(0.01)	(0.08)
Ashoka Buildwell and Developers Private Limited	0.06	(0.78)	0.37
Ashoka Construwell Private Limited	0.81	(5.04)	(3.07)
Ashoka City Towers Constructions Private Limited	0.00	(0.01)	0.17
Ashoka Erectors Private Limited	0.00	(0.01)	0.03
Ashoka Estate Developers Private Limited	0.00	(0.01)	0.10
Hotel Evening Inn Private Limited	(0.02)	(0.02)	0.00
Ashoka Housing Construction Private Limited	0.00	(0.01)	0.30
Ashoka Nirmiti Private Limited	(0.12)	(0.01)	(0.01)
Ashoka Premises Private Limited	(0.12)	(0.01)	(0.02)
Ashoka Promoters Private Limited	(0.12)	(0.01)	(0.02)
Ashoka Shilp Akruti Private Limited	0.00	(0.01)	0.26
Ashoka Vastu Akruti Private Limited	0.00	(0.01)	0.00
Ashoka Vastukala Nirman Private Limited	0.00	(0.01)	0.28
Ashoka Path Nirman (Nasik) Private Limited	0.00	(0.01)	0.00
Ashoka Builders (Nasik) Private Limited	12.28	(7.75)	(16.81)
Ashoka Universal Academy Private Limited	(0.03)	Nil	N.A.
Ashoka Engineering Company	2.79	6.46	(1.35)
Shubham Developers	(0.01)	0.01	4.43
A.P. Equipments & Co	(0.02)	(0.01)	1.16
Ashoka Con Creations	0.00	(0.02)	0.01
Ashoka Builders and Developers	(1.22)	(1.16)	(4.47)
Ashoka Township	(0.36)	0.00	(0.03)

For further details on these Promoter Group entities, please see section titled "Our Promoter Group" beginning on page 145 of this Draft Red Herring Prospectus.

40. The Company is unable to determine whether there are dues payable to any small sector undertaking

The Company does not have the information whether the creditors are Small Scale and Ancilliary Industrial Undertaking as defined by the "The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1992."

External Risk Factors

1. Our business could be adversely impacted by economic, political and social developments in India.

Our performance and growth are dependent on the health of the Indian economy. The Indian economy could be adversely affected by various factors, such as political and regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy could adversely impact our business, our results of operations and our financial condition.

2. Significant increases in the price of or shortages in the supply of crude oil could adversely affect the volume of traffic on our toll-based BOT projects and the Indian economy in general, including the construction industry, which could have a material adverse effect our business and results of operations.

India imports approximately 75.0% of its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors, including the level of global production and political factors, such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil reserves are located. Any significant increase in the price of or shortages in the supply of crude oil could adversely affect the volume of traffic on our toll-based BOT projects and adversely affect the Indian economy in general, including the construction industry, which could have a material adverse effect on our business and results of operations.

3. *Civil unrest, acts of violence including terrorism or war involving India and other countries could materially and adversely affect the financial markets and our business.*

Civil unrest, acts of violence including terrorism or war, may negatively affect the Indian stock markets and also materially and adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately materially and adversely affect our business. Although the governments of India and neighbouring countries have recently been engaged in conciliatory efforts, any deterioration in relations between India and neighbouring countries might result in investor concern about stability in the region, which could materially and adversely affect the price of the Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business, financial condition, results of operations and the price of the Equity Shares.

4. Our operations are sensitive to weather conditions.

We have business activities that could be materially and adversely affected by severe weather. Severe 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 utilize 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.

5. 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.

6. 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 at September 30, 2007, Rs. 3,406.01 million of our borrowings were at floating rates of interest. 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.

7. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may materially and adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures.

8. If more stringent labour laws or other industry standards in the jurisdictions in which we operate become applicable to us, our profitability may be adversely affected.

We are subject to a number of stringent labour laws and restrictive contractual covenants related to levels of employment. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. In addition, the Government of India is considering introducing a reservation policy to the private sector in India, pursuant to which all private sector companies operating in India would be required to reserve a certain percentage of jobs for the economically underprivileged population in the states where such companies are incorporated. If this policy is adopted, our ability to hire employees of our choice may be affected due to restrictions on our pool of potential employees and competition for these employees. Our employees may also in the future form unions.

If labour laws or industry standards become more stringent or are more strictly enforced or if our employees unionise, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have a material adverse effect on our business,

results of operations, financial condition and cash flows.

Risk Factors Related to the Equity Shares

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

Upon completion of the Issue, the Promoters will beneficially own 29.28% 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 the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest.

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

2. IDFC PE II has the right to nominate a director on our Board of Directors in certain circumstances.

In terms of the Share Subscription and Shareholders Agreement dated July 11, 2006 (the "Agreement") entered into by the Company, certain shareholders of the Company and the Promoters with IDFC PE Fund II; IDFC PE Fund II is entitled to nominate one non-retiring Director on the Board of the Company and also on the board of directors of the project entities (as defined in the Agreement). The director nominated on the Board by IDFC PE Fund II is entitled to affirmative voting rights with respect to certain matters as specified in the Agreement. This may affect our ability to manage and operate our business in a flexible manner.

3. Any further issuance of Equity Shares by the Company 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 the Company could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Upon completion of the Issue, the entire post-Issue paid-up capital held by our Promoters and other existing shareholders other than IDFC PE II will be locked up for a period of one year and 20% of our post-Issue paid-up capital held by our Promoters will be locked up for a period of three years from the date of allotment of Equity Shares in the Issue. In accordance with clause 4.14.2 of the SEBI Guidelines 1.90% of the post-Issue share capital held by IDFC PE II will not be subject to lock-in provisions. For further information relating to such Equity Shares that will be locked in, please see Notes to the Capital Structure in the section "Capital Structure" beginning on page 22 of this Draft Red Herring Prospectus.

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

We have in the last 12 months made certain issuances of Equity Shares to the Promoters and other existing shareholders of the Company at a price which may be different than the Issue Price. For further details, please see the section titled "Capital Structure" on page 22 of this Draft Red Herring Prospectus.

5. We have not paid dividends in the past and may not pay dividends in the future.

We have never paid dividends to our Equity shareholders in the past**.** Whether or not we pay dividends in the future and the amount of any such dividends, if declared, will depend upon a number of factors, including our results of operations and financial condition, contractual restrictions (including the terms of some of our financing arrangements that currently restrict our ability to pay dividends) and other factors considered relevant by our Board of Directors and shareholders. There is no assurance that we will declare and pay, or have the ability to declare and pay, any dividends on our Equity Shares at any point in the future.

6. 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.

7. You will not be able to sell immediately any of the Equity Shares you purchase in this Issue on the Stock Exchanges.

The Equity Shares will be listed on the National Stock Exchange of India Limited (the "NSE") and the Bombay Stock Exchange Limited (the "BSE", and together with the NSE, the "Stock Exchanges"). As required by Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entries or dematerialised accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by the designated Stock Exchange. Thereafter, upon receipt of final approval of the Stock Exchanges, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the designated Stock Exchange. There can be no assurance that the Equity Shares allocated earlier to investors will be credited to their dematerialised accounts or that trading will commence within the time periods specified above.

Notes to Risk Factors:

- Public issue of 8,100,000 Equity Shares for cash at a price of Rs. [•] per Equity Share including a share premium of Rs. [●] per Equity Share, aggregating Rs. [•] million comprising. The Issue would constitute 15.05% of the fully diluted post issue paid-up capital of the Company.

- In accordance with Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process whereby at least 60% of the Net Issue will 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 and 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, up to 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further up to 162,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.

- The Company's net worth on a standalone basis as at September 30, 2007 was Rs. 2,797.90 million and the Company's net worth on a consolidated basis as at September 30, 2007 was Rs. 2,990.83 million.

- The net asset value per Equity Share was Rs. 498.92 as at September 30, 2007 as per our standalone financial statements and the net asset value per Equity Share was Rs. 533.32 as at September 30, 2007 as per our consolidated financial statements.

- The average cost of acquisition of per Equity Share by our Promoters, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

1.	Ashok M. Katariya:	Rs. 2.41
2.	Satish D. Parakh:	Rs. 1.19
3.	Ashish A. Katariya:	Rs. 0.78
4.	Aditya S. Parakh:	Rs. 0.94
5.	Shweta A. Katariya:	Rs. 0.93
6.	Ashoka Bitucon Exim Private Limited:	Rs. 2.80

- Refer to the notes to our financial statements relating to related party transactions in the section titled "Related Party Transactions" on page 174 of this Draft Red Herring Prospectus.

- For details of the interests of our Directors and Key Managerial Personnel, please refer to the section titled "Our Management" on page 127 of this Draft Red Herring Prospectus. For details of the interests of our Promoters and Promoter Group, please refer to the section titled "Our Promoters and Promoter Group" on pages 141 and 145 respectively of this Draft Red Herring Prospectus.

- Except as disclosed on page 23 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash. See the section titled "Capital Structure" on page 22 of this Draft Red Herring Prospectus

- Investors may contact the BRLMs and Syndicate Members for any complaints, information or clarifications pertaining to the Issue. The BRLMs and Syndicate Members are obliged to provide the same to investors.

- Other ventures promoted by our Promoter are interested to the extent of their shareholding in our Company. For further information, please see the section titled "Capital Structure" on page 22 of this Draft Red Herring Prospectus.

- Investors are advised to refer to the section titled "Basis for Issue Price" on page 44 of this Draft Red Herring Prospectus before making an investment.

- Investors may note that in case of over-subscription in the Issue, Allotment to Bidders in all of the categories shall be on a proportionate basis. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill over from other categories at our discretion, in consultation with the BRLMs. For more information, please refer to the section titled "Basis of Allotment" on page 344 of this Draft Red Herring Prospectus.

- All information shall be made available by the BRLMs, Syndicate Members and the Company 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.

- Trading in the Equity Shares shall be in dematerialised form only.

- We began our operations as a civil construction firm, Ashoka Constructions in November 5, 1983 as a partnership between Mr. Ashok M. Katariya, Mr. Ramanal B. Parakh, Mr. Sushil R. Parakh, Mr. Narendra R. Shakadwipi and Mrs. Vimlabai R. Shakadwipi. We were reorganized as a company called Ashoka Buildcon Private Limited in 1993 and engaged in the business of civil construction. We became a public company on April 22, 2002 and changed the name of our Company from Ashoka Buildcon Private Limited to Ashoka Buildcon Limited with effect from April 22, 2002 pursuant to a special resolution of the shareholders passed at an EGM on April 4, 2002. The fresh certificate of incorporation consequent on change of name was granted by the RoC to our Company on April 22, 2002.

SUMMARY

Overview

We build and operate roads and bridges in India on a build, operate and transfer ("BOT") basis. We believe we currently operate one of the highest number of toll-based BOT projects in India. In addition to BOT projects, we also (i) engineer and design, procure the raw materials and equipment for and construct roads, bridges, commercial buildings, industrial buildings and institutional buildings for third parties, (ii) manufacture and sell ready-mix concrete ("RMC") and bitumen and (iii) collect tolls on roads and bridges owned and constructed by third parties. Our business is organised into four divisions:

- the BOT division;
- the engineering, procurement and construction ("EPC") division;
- the RMC and bitumen division; and
- the toll collection contract division.

We can trace our origins back to 1976. Prior to fiscal 1997, we were engaged solely in the engineering and construction of residential, commercial, industrial and institutional buildings. In fiscal 1997, having acquired EPC skills, we also turned our attention to bidding for contracts for toll roads and toll bridges on a BOT basis. We were awarded our first BOT project, the Dhule bypass in Maharashtra, in fiscal 1997 and completed the construction of the road in the same fiscal year. In fiscal 2000 we began manufacturing RMC solely for use by our EPC division. In fiscal 2002 we began to manufacture RMC to sell to third parties as well as for use by our EPC division. In fiscal 2005 we began processing bitumen to a higher grade at our facility in Pune for use in road projects. Having developed systems and procedures for collecting tolls on our BOT projects, including developing our own proprietary computerised toll revenue auditing system, we tendered for and were awarded our first the contract to collect the tolls on a road owned and constructed by a third party.

Our head office is in Nashik, Maharashtra and our operations reach across the states of Maharashtra, Madhya Pradesh, Chhattisgarh, Rajasthan, Gujarat, Goa and Tamil Nadu, the National Capital Territory of Delhi and the union territories of Dadra and Nagar Haveli and Daman and Diu.

BOT Division. We currently operate or have an interest in 21 roads and bridges totalling approximately 2,061 kilometres of lanes in Maharashtra, Madhya Pradesh and Chhattisgarh, the concessions for which awarded on a BOT basis. In order to meet specific eligibility requirements for certain larger BOT projects, including requirements relating to particular types of experience and financial resources, we have entered into project-specific joint ventures or special purpose vehicles with other companies. Out of the 21 BOT projects mentioned above, 16 are in operation and five are under construction. Of the 16 BOT projects in operation:

- four are operated by the Company;
- 10 are operated by the subsidiaries of the Company/joint ventures controlled by the Company;
- one is operated by an associate company in which the Company has a 50% interest; and
- one is operated by a joint venture in which the Company has a 5% interest.

Of the five BOT projects under construction:

- one is being developed by the Company;
- three are being developed by subsidiaries of the Company; and

- one is being developed through an associate of the Company.

In addition, we have built, operated and successfully transferred two BOT projects at the end of the concession periods.

EPC Division. Our EPC division primarily engineers and designs, procures the raw material and equipment for and constructs roads and bridges for our BOT division and third parties. Our EPC division also maintains and repairs existing roads for our BOT division. In addition, we also construct commercial, industrial and institutional buildings for third parties. We own a large fleet of construction equipment. As at September 30, 2007, the Company, its subsidiaries and its predecessor entities had constructed 42 roads and bridges and built over 5.4 million square feet of commercial, industrial and institutional projects. As at November 30, 2007, our Order Book, which comprises the unfinished and uncertified portion of projects that we have been awarded, was Rs. 14,988.52 million.

We received an ISO 9002 in 1998 and an ISO 9001:2000 in 2001 for Certificate for Quality Assurance. According to ISC, we are the first Indian infrastructure construction company to receive the ISC certification for Quality (ISO 9001:2000), Environment (ISO 14001:2004) and Occupational Health and Safety Management System (OHSAS 18001:1999) for Integrated System Management in relation to the design, development, construction of roads, bridges, industrial buildings, residential and commercial complexes, production and sale of ready-mix concrete and operation and maintenance of road infrastructure projects. We have also received numerous construction awards, including the Nasik Industries and Manufacturers' Association 'Excellence Award 2001' - First Prize in 'Large Scale Industries' and the Indian Institute of Bridge Engineers 'Most Outstanding Bridge - National Award 2001'.

RMC and Bitumen Division. Our RMC and bitumen division sells ready-mix concrete and supports the EPC division by ensuring that it has an adequate and timely supply of high-quality RMC. As at September 30, 2007, we had 10 RMC plants with a total production capacity of 540 cubic metres per hour and 58 concrete transit trucks and 13 concrete pumps. This division also sells and processes bitumen to a higher grade for use in road projects and supports our EPC division by supplying it with bitumen. We have one plant in Pune for the processing of bitumen with a capacity of 60 metric tonnes per day.

Toll Collection Contract Division. We set up our toll collection contract division to leverage our experience of collecting tolls on our BOT projects and our proprietary computerised toll revenue auditing system. To date, we have entered into four agreements to collect tolls on roads/bridges owned and constructed by third parties, although our last contract expired in March 2007.

Our Strengths

We believe the following are our key strengths.

Well established player in toll-based BOT projects in India

We were an early mover in India in the BOT project sector. We were awarded our first BOT project, the Dhule bypass in Maharashtra, in fiscal 1997 and completed the construction of the road in the same fiscal year. The Dhule Bypass was amongst the first toll-based BOT projects in Maharashtra. We believe we operate one of the highest number of toll-based BOT projects in India. We currently have a total of 16 BOT projects in operation comprising approximately 908 kilometres of lanes. We have also been awarded the concessions for five additional BOT projects, comprising 1,174 kilometres of lanes, the construction of which has not been completed. Our early-mover status and continued presence in the toll-based BOT project sector provides us with a platform to further develop our BOT presence and to win EPC contracts for road and bridge construction projects.

Integrated business model

We are able to undertake all activities related to a BOT project in-house - from tendering for the project through to the collection of tolls. This helps to ensure the timely completion of projects, reduces our reliance on subcontractors and decreases our costs. We prepare all tendering documents and have a dedicated in-house traffic study team. Our EPC division, with its experienced team of engineers and skilled workman and its fleet of construction equipment, constructs and maintains the projects. Our RMC division

manufactures and supplies the concrete. We have a toll collection team and we use our own proprietary software for the auditing of toll revenue. Our integrated structure enables us to bid for a BOT project with confidence in our ability to complete and operate the project on a profitable basis.

In-house traffic study expertise

Our ability to tender appropriately for BOT projects depends heavily on the assessment of the future traffic patterns on the proposed road or bridge and the amount of tolls to be collected. Over the course of our 11 years in toll-based BOT projects, we have developed an in-house traffic study team, which has the dual responsibility of conducting pre-bidding traffic surveys and monitoring toll collections. Our in-house traffic study team has an in-depth knowledge of traffic patterns not only in Maharashtra, Madhya Pradesh and Chhattisgarh, but also in Tamil Nadu, Gujarat, Rajasthan, Uttar Pradesh and Punjab. We believe our in-house traffic forecasting capacity and expertise strengthens our ability to tender effectively for BOT projects and toll collection contracts.

We have developed our own proprietary toll collection audit system

Tolls are paid in cash. To minimise the chance of cash pilferages, we utilise our own toll collection audit system, which includes cameras installed at toll booths and our own proprietary software. The system enables us to monitor our toll collection on a real-time basis.

We are a multi-award winning contractor with the ability to construct projects to a high standard

We have received numerous construction awards, including, the Nasik Industries and Manufacturers' Association 'Excellence Award 2001' - First Prize in 'Large Scale Industries' and the Indian Institute of Bridge Engineers 'Most Outstanding Bridge - National Award 2001'. We received an ISO 9002 in 1998 and an ISO 9001:2000 in 2001 for Certificate for Quality Assurance. According to ISC, we are the first Indian infrastructure construction company to receive the ISC certification for Quality (ISO 9001:2000), Environment (ISO 14001:2004) and Occupational Health and Safety Management System (OHSAS 18001:1999) for Integrated System Management in relation to the design, development, construction of roads, bridges, industrial buildings, residential and commercial complexes, production and sale of ready-mix concrete, and the operation and maintenance of road infrastructure projects. We believe our ability to execute projects to a high standard helps us to win contracts for projects and reduces the costs of maintaining our BOT projects.

Long standing history of timely execution of projects

Most of our projects have been executed on time or prior to the scheduled completion date. We constructed a 90-metre long bridge on the Mahad-Pandharpur state highway in 38 days compared with the scheduled construction time of 12 months. The construction of a 100-metre long bridge called the Pargaon Bridge, a BOT project, was completed in 65 days compared with the scheduled construction time of 18 months. Both of these construction feats are recorded in Limca Book of Records. If we complete a project before its scheduled completion date, our revenue from the project is usually increased. Our EPC contracts generally provide for bonus payments if we complete construction of a project prior to the scheduled completion date. For example, we received Rs. 19.00 million for the early completion of the construction of the Phalodi to Puchpadra road, an EPC contract, which was completed 95 days prior to the scheduled completion date. If we complete the construction of a road or bridge the subject of a BOT agreement before the scheduled completion date, we generally get the benefit of collecting tolls on that project earlier than anticipated, which increases the total period for collecting tolls, thereby increasing our revenue from the project. There have been no instances where our performance guarantees have been invoked by our clients.

Healthy Order Book position

As at September 30, 2007, our Order Book totalled Rs. 15,200.23 million. In our industry, the Order Book is considered an indicator of potential future performance since it represents a significant portion of our potential EPC revenue stream. Our strategy is not simply to add contracts to the Order Book but instead is focussed on capturing quality contracts with high margins.

Proven track record of being able to leverage BOT projects on completion of the construction of the project, thereby increasing the cash available to further expand our business

We have been able to leverage off certain of our completed BOT projects to expand our business. On completion of the construction of 18 out of 23 of our BOT projects, we have leveraged the debt taken for the construction of 14 projects and increased the debt outstanding on the project to as much as 150% of the cost of the project. This provides us with increased cash, which enables us to bid for more BOT projects.

Experienced management and a well-trained employee base

Mr. Ashok Katariya, our Chairman and one of our Promoters, has over 32 years of experience in the construction industry and is a first generation entrepreneur. Mr. Satish D. Parakh, our Managing Director and one of our Promoters, has over 27 years in the construction industry. Mr. Sunil B. Raisoni, a director of the Company, has over 25 years experience in the construction industry. Messrs. Parakh and Raisoni both joined the Company as employees and they have been working with Mr. Katariya for more than 25 years.

We believe we have a well-trained employee base, which enables us to construct various kinds of projects with different technical requirements. As at September 30, 2007, we employed 2,078 full-time employees, 1,142 of which are technical staff.

Our Strategy

Focus on executing larger projects in the Indian road infrastructure sector

The Construction Industry Development Council has forecast that Rs. 2,540 billion will be spent on constructing roads in India during the Eleventh Five Year Plan (2007-2012). In addition to the construction of new roads, we believe there will be opportunities to win maintenance contracts and toll collection contracts on roads that have already been built. As a result, we plan to focus on bidding for road BOT projects, road construction projects and toll collection contracts. With our long track record in the road sector and our integrated business model, we believe we are well positioned to take advantage of this growth and these opportunities.

We have been progressively executing larger projects. For example, our first BOT project was the Dhule Bypass, the Project Cost for which was Rs. 58.17 million. Except as noted otherwise, all project costs for BOT projects stated in this Draft Red Herring Prospectus comprise the EPC costs, the interest during construction on the debt financing for the project and other expenses incidental to the project during the construction period (the "Project Cost"). In February 2004, we completed construction of the Indore-

Edalabad road, the Project Cost for which was Rs. 1,607.89 million. In 2006, we were awarded the concession for the NH-6 Bhandara road in Maharashtra, the estimated Project Cost of which is Rs. 5,350.00 million. In 2006, we were awarded the concession for the NH-6 Durg road in Chhattisgarh, the estimated EPC cost for which as per the bid document is Rs. 4,640.00 million (this estimate does not include the interest during construction on the debt financing for the project and other expenses incidental to the project during the construction period). One of the Company's associates was awarded the concession for the SH – 31 Jaora Nayagaon Road in Madhya Pradesh, the estimated EPC cost for which as per the bid document is Rs. 4,257.10 million (this estimate does not include the interest during construction on the debt financing for the project and other expenses incidental to the project during the construction period).

As the road infrastructure sector grows, we believe that it will be increasingly characterised by larger projects. As a result, we intend to bid on larger BOT projects. The primary benefit of this strategy is that larger projects typically generate higher profit margins than smaller projects. The fixed costs associated with large projects, such as employee expenses, system automation expenses and administration expenses, typically represent a lower proportion of the total costs of the project than those incurred in smaller projects and the overhead costs involved in initiating the project and supplying materials and machinery also typically represent a lower percentage of the total costs when compared with smaller projects.

Increase our EPC division's revenue from third parties

We plan to focus on growing our EPC division's revenue from third parties. We believe this will provide us with a more diverse income stream and allow us to take advantage of the demand for contracting-only projects. It will also help to ensure that our EPC division operates at its optimal capacity.

Increase sales of ready-mix concrete to third parties

We believe that ready-mix concrete provides superior strength and quality to the finished product than concrete mixed at the project site and as such will be increasingly used in India. Because of the investment required to produce ready-mix concrete, many smaller construction companies rely on purchasing ready-mix concrete rather than making it themselves. In fiscal 2002, we began to leverage our existing ready-mix concrete production capabilities by selling ready-mix concrete to third parties. As at September 30, 2007, we had 10 ready-mix plants. If we are successful in expanding our BOT project business and EPC business, we will need to increase our ready-mix concrete production capabilities. As we increase our production capacity, our plan is to also increase sales of ready-mix concrete to third parties.

Enter into new contracts for collecting tolls on roads and bridges owned and constructed by third parties

We have entered into four contracts to collect tolls on roads and bridges owned by third parties. The last of these contracts expired in fiscal 2007. We plan to leverage our existing in-house traffic forecasting and toll collection expertise to bid for more toll collection contracts.

Continue to leverage BOT projects once construction has been completed

In order to increase the cash available to us to expand our business, we plan to continue to leverage our BOT projects once the construction phase of the project is complete. On completion of the construction of 18 out of 23 of our BOT projects, we have leveraged the debt taken for the construction of 14 projects and increased the debt outstanding on the project to as much as 150% of the cost of the project.

Continue to focus on executing projects in a timely manner

We plan to continue to focus on executing projects before the scheduled completion date and constructing them to a high standard.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated stand-alone and consolidated financial statements as of and for the years ended March 31, 2007, 2006, 2005, 2004, 2003 and for the six months period ended September 30, 2007. These financal statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and presented under the sections titled "Auditor's Report on Stand-Alone Financial Information" and "Auditor's Report on Consolidated Financial Information" beginning on pages 182 and 219 respectively of this Draft Red Herring Propsectus. The summary financial information presented below should be read in conjunction with our restated stand-alone and consolidated financial statements, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations on a Consolidated Basis on page 252 of this Draft Red Herring Prospectus. Indian GAAP differs in certain respect from US GAAP and IFRS.

SUMMARY STAND-ALONE STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(All figures in Rupees million)

			As At				
		Sept 30, 2007	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**	**March 31, 2004**	**March 31, 2003**
A.	**ASSETS :**						
	Fixed assets - Gross block	999.69	889.35	566.09	497.06	299.49	219.79
	Less: Depreciation	270.27	221.01	152.40	121.59	90.91	59.67
	Net block (1)	729.42	668.34	413.69	375.47	208.58	160.12
	InTangible Assets						
	Fixed assets - Gross block	1,256.37	1,256.37	1,259.68	1,235.65	1,235.73	0.00
	Less: Depreciation	538.27	461.23	318.60	251.99	119.77	0.00
	Net block (2)	718.10	795.14	941.08	983.66	1,115.96	0.00
	Add : Capital WIP (3)	539.04	263.74	48.17	9.47	49.82	73.32
	Total (A = 1 + 2 + 3)	**1,986.56**	**1,727.22**	**1,402.94**	**1,368.60**	**1,374.35**	**233.44**
B.	**INVESTMENTS (B)**	**1,663.54**	**1,607.57**	**916.84**	**816.64**	**808.67**	**42.70**
C.	**CURRENT ASSETS, LOANS & ADVANCES :**						
	Inventories	702.65	588.58	297.19	191.04	62.82	116.29
	Sundry debtors	285.95	290.42	477.43	172.73	101.03	55.02
	Cash & bank balances	471.42	1,050.32	448.63	256.10	191.76	205.62
	Loans and advances	623.65	629.61	565.18	349.26	477.20	351.76
	Total (C)	**2,083.67**	**2,558.93**	**1,788.42**	**969.12**	**832.81**	**728.69**
	TOTAL ASSETS (A + B +C)	**5,733.77**	**5,893.72**	**4,108.20**	**3,154.37**	**3,015.83**	**1,004.83**
D.	**LIABILITIES AND PROVISIONS :**						
	Unsecured loans	712.02	812.11	887.49	420.54	86.00	0.00
	Secured Loans	1,525.81	1,726.03	1,222.48	719.19	873.92	181.20
	Deferred tax liability	25.15	24.46	26.81	11.83	18.99	14.02
	Current liabilities & provisions:						
	Current liabilities	609.58	560.09	375.41	502.99	655.26	681.96

			As At				
		Sept 30, 2007	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**	**March 31, 2004**	**March 31, 2003**
	Provisions - Staff benefits	7.06	5.54	2.29	1.19	0.38	0.18
	Provisions for taxation	56.24	39.24	17.46	8.25	7.18	7.46
	Total (D)	**2,935.86**	**3,167.47**	**2,531.94**	**1,663.99**	**1,641.73**	**884.82**
E.	**NET WORTH**						
	Represented by:						
	Share capital	210.41	224.21	211.40	211.40	211.40	65.00
	Security premium (Net of Share Issue Expenses)	1,848.09	1,858.90	893.86	918.61	940.55	0.00
	Preference Share redemption Reserve	167.87	176.39	151.64	126.88	102.12	0.00
	Profit and loss account	571.54	466.74	319.36	233.49	120.02	55.16
	Less: Preliminary / share issue expenses not written off	0.00	0.00	0.00	0.00	0.00	0.15
	Total (E)	**2,797.90**	**2,726.25**	**1,576.26**	**1,490.38**	**1,374.10**	**120.01**
	TOTAL LIABILITIES (D + E)	**5,733.77**	**5,893.72**	**4,108.20**	**3,154.37**	**3,015.83**	**1,004.83**

SUMMARY STAND-ALONE STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(All figures in Rupees million)

		Year / Period Ended				
	Sept 31, 2007	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**	**March 31, 2004**	**March 31, 2003**
INCOME :						
Turnover						
- Contract	1,040.40	2,445.41	1,181.32	777.60	1,478.87	1,466.59
- Sales	323.41	481.86	247.38	296.25	119.86	70.22
- Toll Income - BOT	169.02	280.50	218.72	219.45	208.73	0.00
- Toll Income - Contract	0.00	345.40	20.42	0.00	3.68	21.23
Total Turnover	1,532.83	3,553.17	1,667.84	1,293.30	1,811.14	1,558.04
Other Income	75.15	158.44	129.17	102.73	112.52	10.30
TOTAL INCOME	**1,607.98**	**3,711.61**	**1,797.01**	**1,396.03**	**1,923.66**	**1,568.34**
EXPENDITURE :						
Contract / O & M Expenses *	891.11	2,191.80	959.97	661.36	1,398.67	1,376.39
Cost of Material Sold	254.92	374.02	221.90	240.59	45.00	34.42
Toll Expenses	0.00	316.87	17.92	0.00	4.98	32.58
Staff Expenses	57.26	102.37	63.73	48.85	41.43	8.94
Administrative Expenses	42.94	112.10	70.95	53.52	51.63	26.74
Finance Costs	115.92	240.00	160.09	113.47	137.02	25.48
Depreciation	45.95	73.64	59.79	37.67	31.30	25.48
Amortisation	77.04	142.63	123.66	130.11	120.48	0.00
TOTAL EXPENDITURE	**1,485.14**	**3,553.43**	**1,678.01**	**1,285.57**	**1,830.51**	**1,530.03**
Net Profit before tax and prior period items	**122.84**	**158.18**	**118.99**	**110.46**	**93.15**	**38.31**
Provision for taxation :						
Current Tax (Net)	15.68	12.74	15.80	6.12	7.04	7.49
Deferred Tax	0.69	(2.35)	14.98	(7.95)	26.76	5.18
Fringe Benefit Tax	1.67	1.41	2.03	0.00	0.00	0.00
Net Profit after Tax and before Adjustments	**104.80**	**146.38**	**86.18**	**112.28**	**59.35**	**25.64**
ADJUSTMENTS (see Annexure IV)						
ADJUSTMENTS (see Note 1 of Annexure IV)	0.00	(1.49)	0.79	(1.44)	2.11	0.11
Current Tax Impact of Adjustments	0.00	0.49	(0.50)	0.26	(0.28)	(0.04)
Net Profit attributable to Shareholders	**104.80**	**147.38**	**85.88**	**113.46**	**57.52**	**25.57**
Profit Brought Forward from Previous years	466.74	319.36	233.48	120.02	55.16	29.59
Profit of Merged Entities					7.34	
Balance carried to Balance sheet	**571.54**	**466.74**	**319.36**	**233.48**	**120.02**	**55.16**

* Net of all expenditure transferred to capital work in progress

SUMMARY CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(All figures in Rupees million)

			As At				
		30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
A.	**ASSETS :**						
	Fixed assets - Gross block	1,021.57	910.92	568.66	498.43	300.13	219.80
	Less: Depreciation	278.03	227.48	149.16	124.98	91.31	59.67
	Net block (1)	743.54	683.44	419.50	373.45	208.82	160.13
	InTangible Assets						
	Fixed assets - Gross block	4,561.04	4,561.03	1,856.55	1,831.26	1,271.87	33.04
	Less: Depreciation	1,411.22	1,184.96	427.04	299.38	123.42	0.87
	Net block (2)	3,149.82	3,376.07	1,429.51	1,531.88	1,148.45	32.17
	Add : Capital WIP (3)	1,046.88	617.13	48.17	9.96	530.03	156.92
	Total (A = 1 + 2 + 3)	**4,940.24**	**4,676.64**	**1,897.18**	**1,915.29**	**1,887.30**	**349.21**
B.	**INVESTMENTS (B)**	**705.65**	**662.32**	**755.29**	**709.43**	**718.50**	**30.16**
C.	**CURRENT ASSETS, LOANS & ADVANCES :**						
	Inventories	702.66	588.59	297.21	191.04	58.33	112.02
	Sundry debtors	232.23	226.85	466.35	144.17	97.08	55.02
	Cash & bank balances	850.32	1,389.87	473.39	275.03	234.71	207.50
	Loans and advances	501.68	490.98	526.51	348.45	472.44	299.57
	Total (C)	**2,286.89**	**2,696.29**	**1,763.46**	**958.69**	**862.55**	**674.11**
	TOTAL ASSETS (A + B +C)	**7,932.79**	**8,035.25**	**4,415.93**	**3,583.41**	**3,468.35**	**1,053.48**
D.	**LIABILITIES AND PROVISIONS :**						
	Unsecured loans	197.62	190.29	888.06	440.51	72.34	0.00
	Secured Loans	3,863.68	4,185.30	1,569.76	1,095.96	1,271.76	198.10
	Minority Interest	131.12	126.04	56.32	65.58	77.41	0.66
	Deferred tax liability	30.44	31.85	26.81	11.82	18.99	14.02
	Current liabilities & provisions :						
	Current liabilities	646.70	570.08	384.18	530.28	687.26	713.06
	Provisions - Staff benefits	7.66	5.88	2.28	1.19	0.37	0.18
	Provisions for taxation	64.74	52.37	17.02	8.26	7.18	7.46
	Total (D)	**4,941.96**	**5,161.81**	**2,944.43**	**2,153.60**	**2,135.32**	**933.48**
E.	**NET WORTH**						
	Represented by:						
	Share capital	210.41	224.21	211.40	211.40	211.40	65.00
	Security premium (Net of Share Issue Expenses)	1,848.09	1,858.90	856.01	904.96	950.32	0.00
	Preference Share redemption Reserve	167.87	176.39	211.25	163.20	115.15	0.00
	Profit and loss account	765.43	613.98	192.84	150.25	56.16	55.16

			As At				
		30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
	Less: Preliminary / share issue expenses not written off	0.97	0.04	0.00	0.00	0.00	0.16
	Total (E)	**2,990.83**	**2,873.44**	**1,471.50**	**1,429.81**	**1,333.03**	**120.00**
	TOTAL LIABILITIES (D + E)	**7,932.79**	**8,035.25**	**4,415.93**	**3,583.41**	**3,468.35**	**1,053.48**

SUMMARY CONSOLIDATED STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(All figures in Rupees million)

		Year / Period Ended				
	30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
INCOME :						
Turnover						
- Contract	756.79	2,229.00	1,165.26	725.98	1,156.65	1,392.55
- Sales	321.58	480.18	247.38	296.25	119.86	70.22
- Toll Income – BOT	546.47	976.31	358.30	349.64	271.44	1.37
- Toll Income - Contract	0.00	345.40	20.42	0.00	3.68	21.23
Total Turnover	1,624.84	4,030.89	1,791.36	1,371.87	1,551.63	1,485.37
Other Income	90.21	158.80	66.85	57.83	69.67	12.85
TOTAL INCOME	**1,715.05**	**4,189.69**	**1,858.21**	**1,429.70**	**1,621.30**	**1,498.22**
EXPENDITURE :						
Contract / O & M Expenses *	640.81	2,038.62	965.37	628.24	1,155.95	1,303.88
Cost of Material Sold	254.92	374.02	221.90	240.59	45.00	34.42
Toll Expenses	0.00	316.88	17.92	0.00	4.98	32.58
Staff Expenses	69.24	117.77	65.86	51.15	42.88	9.02
Administrative Expenses	50.10	126.22	68.18	49.58	37.06	19.97
Finance Costs	238.61	451.77	212.24	162.49	157.17	33.69
Depreciation	39.36	79.04	61.44	38.56	32.11	25.48
Amortisation	239.71	423.50	181.49	179.94	122.52	0.87
TOTAL EXPENDITURE	**1,532.76**	**3,927.82**	**1,794.40**	**1,350.55**	**1,597.67**	**1,459.91**
Net Profit before tax and prior period items	**182.29**	**261.87**	**63.81**	**79.15**	**23.63**	**38.31**
Provision for taxation :						
Current Tax (Net)	23.75	23.64	15.90	6.12	10.06	7.49
Deferred Tax	(1.40)	(6.72)	14.98	(7.95)	25.97	5.18
Fringe Benefit Tax	2.00	1.88	2.11	0.00	0.00	0.00
Net Profit before prior period items and Adjustments	**157.94**	**243.07**	**30.82**	**80.98**	**(12.40)**	**25.64**
ADJUSTMENTS (see Annexure IV)						
ADJUSTMENTS (see Note 1 of Annexure IV)	0.00	(1.54)	0.67	(1.42)	0.40	0.11
Current Tax Impact of Adjustments	0.00	0.49	(0.50)	0.26	(0.28)	(0.04)
NET PROFIT BEFORE MINORITY INTEREST	**157.94**	**244.12**	**30.65**	**82.13**	**(12.53)**	**25.57**
Profit / Loss transferred to Minority Interest	16.67	1.87	(11.94)	(11.96)	0.00	0.00
Net Profit attributable to Shareholders	**141.27**	**242.25**	**42.59**	**94.09**	**(12.53)**	**25.57**
Profit Brought Forward from Previous years	613.98	192.86	150.25	56.16	55.16	29.59
Profit of Merged Entities	0.00	0.00	0.00	0.00	13.53	0.00

		Year / Period Ended				
	30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
Profit Brought Forward from Previous years of subsidiaries added	0.00	178.87	0.00	0.00	0.00	0.00
Balance carried to Balance sheet	**755.25**	**613.98**	**192.84**	**150.25**	**56.16**	**55.16**

* Net of all expenditure transferred to capital work in progress

THE ISSUE

Equity Shares offered by the Company		8,100,000 Equity Shares
Employee Reservation Portion		162,000 Equity Shares
Therefore		
Net Issue to the Public		**7,938,000 Equity Shares**
Of which		
A) Qualified Institutional Buyers (QIB) portion*		At least 4,762,800 Equity Shares
Of which		
	Available for allocation to Mutual Funds only	238,140 Equity Shares
Balance for all QIBs including Mutual Funds		4,524,660 Equity Shares
B) Non-Institutional Portion*		At least 793,800 Equity Shares
C) Retail Portion*		At least 2,381,400 Equity Shares
Equity Shares outstanding prior to the Issue		45,691,702 Equity Shares
Equity Shares outstanding after the Issue		53,791,702 Equity Shares
Use of Proceeds by the Company		See the section titled "Objects of the Issue" on page 38 of this Draft Red Herring Prospectus.

* Undersubscription, if any, in any portion, except in QIB portion, would be met with spill over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLMs. If atleast 60% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded.

GENERAL INFORMATION

Registered Office of our Company

Ashoka Buildcon Limited
Ashoka House, Ashoka Marg
Nashik, Maharashtra - 422 011
Tel No: (91 253) 3011705
Fax: (91 253) 2422704
Registration No: U45200MH1993PLC071970

Address of the ROC

We are registered with the RoC situated at Everest 5th Floor, 100, Marine Drive, Mumbai 400 002.

Board of Directors of the Company

Our Board of Directors consists of:

Name	Designation
Mr. Ashok M. Katariya	Chairman
Mr. Satish D. Parakh	Managing Director
Mr. Sunil B. Raisoni	Executive Director
Mr. Prakash Y. Karnik	Non – Executive Director
Mr. Michael Pinto	Independent Director
Mr. Milap R. Bhansali	Independent Director
Mr. Anant D. Narain	Independent Director
Mr. Sharad D. Abhyankar	Independent Director

For further details of our Directors, see section titled "Our Management" on page 127 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. Manoj A. Kulkarni
Ashoka House, Ashoka Marg
Nashik, Maharashtra - 422 011
Tel No: (91 253) 3011943
Fax: (91 253) 2422704
Email: manoj_kulkarni@ashokabuildcon.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

Auditors to the Company
M. P. Chitale & Co.
Hamam House, Ambalal Doshi Marg,
Fort, Mumbai – 400 001
Tel: (91 22) 6638 3333
Fax: (91 22) 6638 3333
Email: ashu01@mpchitale.com

Book Running Lead Managers

IDFC -SSKI Private Limited
(name being changed from SSKI Corporate Finance Private Limited subject to regulatory approvals)
803-4 Tulsiani Chambers
8th Floor, Nariman Point
Mumbai 400 021
India.
Tel: (91 22) 6638 3333
Fax: (91 22) 2204 0282
E-mail: ashoka.ipo@idfcsski.com
Investor Grievance Email: complaints@idfcsski.com
Website: www.sski.co.in
Contact Person: Ms. Anjali Peri
SEBI Reg. No. INM000010254

Enam Securities Private Limited

801/ 802, Dalamal Towers
Nariman Point
Mumbai 400 021
India
Tel: (91 22) 6638 1800
Fax: (91 22) 2284 6824
E-mail: abl.ipo@enam.com
Investor Grievance Email: complaints@enam.com
Website: www.enam.com
Contact Person: Mr. Sachin Chandiwal
SEBI Reg. No. INM000006856

Kotak Mahindra Capital Company Limited
3rd Floor, Bakhtawar, 229
Nariman Point
Mumbai 400 021
India
Tel: (91 22) 5634 1136
Fax: (91 22) 2284 0492
Email: ashoka.ipo@kotak.com
Investor Grievance Email: kmccredressal@kotak.com
Website: www.kotak.com
Contact Person: Mr. Chandrakant Bhole
SEBI Reg. No. INM000008704

Syndicate Members
[●]

Legal Advisors to the Issue

Domestic Legal Counsel to the Issue

Amarchand Mangaldas & Suresh A. Shroff & Co.
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
India
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

International Legal Counsel to the Underwriters

Dorsey & Whitney
21, Wilson Street
London EC2M 2TD
England
United Kingdom
Tel: (044) (0) 20 7588 0800
Fax: (044) (0) 20 7588 0555

Registrar to the Issue

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (W)
Mumbai 400 078
Tel: (91 22) 2596 0320
Fax: (91 22) 2596 0329
E-mail: abl.ipo@intimespectrum.com
Website: www.intimespectrum.com
Contact Person: Mr. Sachin Achar
SEBI Reg. No. INM000003761

Bankers to the Issue and Escrow Collection Banks
[●]

Bankers to the Company

Axis Bank
Janmabhoomi Bhavan,
Janmabhoomi Marg, 1st Floor
Fort
Mumbai 400 001,
India
Tel : (91 22) 66107208
Fax : (91 22) 66107241

Bank of India
28, S.V. Road
1st Floor, M.D.I. Building
Andheri (West)
Mumbai 400 058
India
Tel : (91 22) 26718565
Fax : (91 22) 26247655

Bank of Maharashtra
Shalimar, Nasik 422 001
Maharashtra
India
Tel: (91 253) 2502951
Fax: (91 253) 2596935

Canara Bank
Deccan Gymkhana
Pune 411 005
India
Tel : (91 20) 25533712
Fax : (91 20) 25533712

Corporation Bank
Bharat House,
104, Bombay Samachar Marg, Fort
Mumbai 400 023
India
Tel : (91 22) 22677088
Fax: (91 22) 22675309

Federal Bank
Nariman Bhavan
12/227, Nariman Point, 1st Floor
Mumbai 400 021
India
Tel : (91 22) 22812335
Fax : (91 22) 22675309

Indian Bank
Sir P. M. Road, Fort,
Mumbai 400 001
India
Tel : (91 22) 22661847
Fax : (91 22) 22660769

State Bank of India
NGN Vaidya Marg, Fort
Mumbai 400 023
India
Tel : (91 22) 22664100
Fax : (91 22) 22665915

Statement of inter se allocation of Responsibilities for the Issue

The following table sets forth the distribution of responsibility and co-ordination for various activities amongst the BRLMs:

Sr.No.	Activity	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	IDFC-SSKI, Enam, Kotak	IDFC-SSKI
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of the Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing of the same.	IDFC-SSKI, Enam, Kotak	IDFC-SSKI
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, corporate films, etc.	IDFC-SSKI, Enam, Kotak	IDFC-SSKI
4.	Appointment of intermediaries Lawyers, Printers, Advertising Agency	IDFC-SSKI, Enam, Kotak	Kotak
5.	Appointment of Registrar and Bankers to the Issue	IDFC-SSKI, Enam, Kotak	Enam
6.	International institutional marketing of the Issue, which will cover, *inter alia*:	IDFC-SSKI, Enam, Kotak	Enam
	• Preparing road show presentation and frequency asked questions;		
	• Finalising the list and division of investors for one to one meetings; and		
	• Finalising road show schedule and investor meeting schedules;		
7.	Domestic institutional marketing of the Issue, which will cover, *inter alia*:	IDFC-SSKI, Enam, Kotak	Kotak
	• Finalising the list and division of investors for one to one meetings; and		
8.	Non-Institutional & Retail Marketing of the Issue, which will cover, *inter alia*:	IDFC-SSKI, Enam, Kotak	Kotak
	• Formulating marketing strategies, preparation of publicity budget;		
	• Finalising media and PR strategy;		
	• Finalising centres for holding conferences for brokers etc.;		
	• Finalising collection centres; and		
	• Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material.		
9.	Managing the book, co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading, and finalisation of pricing and institutional allocation in consultation with the Company.	IDFC-SSKI, Enam, Kotak	Enam

Sr.No.	Activity	Responsibility	Coordinator
10.	The Post-Bidding activities including management of escrow accounts, follow-up with bankers to the issue, co-coordination non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post Issue activities will involve essential follow up steps, which include the finalisation of listing of instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Register to the Issue and Bankers 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 the Company.	IDFC-SSKI, Enam, Kotak	Enam

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for this Issue.

Trustees

As this is an issue of Equity Shares, the appointment of Trustees is not required.

IPO Grading

This Issue has been rated by [●] as [●] (pronounced [●]) indicating [●] and by [●] as [●] (pronounced [●]) indicating [●]. Pursuant to Clauses 5.6B.1 and 6.17.3A of the SEBI Guidelines, the rationale/description furnished by the credit rating agency will be updated at the time of filing the Red Herring Prospectus with the Designated Stock Exchange.

Experts

Except the report of [●] in respect of the IPO grading of this Issue annexed herewith and except as stated elsewhere in this Draft Red Herring Prospectus, the Company has not obtained any expert opinions.

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. 500 crores (Rs. 5,000 million).

Withdrawal of the Issue

The Company in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time, including after the Bid/Issue Closing Date, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment.

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. The Company;

2. BRLMs;

3. Syndicate Member who is an intermediary registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Member is appointed by the BRLMs;

4. Escrow Collection Bank(s); and

5. Registrar to the Issue.

This being an issue for less than 25% of post issue equity capital of the Company, the SEBI 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 at least 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 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. We will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs to manage the Issue and to procure subscriptions to the Issue.

Pursuant to amendments to the SEBI Guidelines, QIB Bidders are not allowed to withdraw their Bid(s) after the Bid /Issue Closing Date and for further details see the section titled "Terms of the Issue" on page 318 of this Draft Red Herring Prospectus.

The process of Book Building under SEBI 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 Process and Price Discovery Process (*Investors should note that this example is solely for illustrative purposes and is not specific to the Issue*)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, offer size of 3,000 equity shares and receipt of five bids from bidders out which one bidder has bid for 500 shares at Rs. 24 per share while another has bid for 1,500 shares at Rs. 22 per share. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book given below shows the demand for the shares of the 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%
1,500	22	3,000	100%
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 Company is able to offer the desired number of shares is the price at which the book cuts off i.e. Rs. 22 in the above example. The Company in consultation with BRLMs will finalise the Issue Price at or below such cut off price, i.e. at or below Rs. 22. All bids at or above the Issue Price and cut off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

- Check eligibility for bidding (please refer to the section titled "Issue Procedure - Who Can Bid" on page 325 of this Draft Red Herring Prospectus);

- Ensure that the Bidder has an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

- For Bids of all values, ensure that you have mentioned your PAN and attached copies of your PAN card to the Bid Cum Application Form (see section titled "Issue Procedure" on page 325 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 Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations.

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

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

Name and Address of the Underwriter	**Indicative Number of Equity Shares to be Underwritten**	**Amount Underwritten (Rs. in Million)**
IDFC-SSKI Private Limited	[●]	[●]
Enam Securities Private Limited	[●]	[●]
Kotak Mahindra Capital Company Limited	[●]	[●]

The above mentioned amount is indicative underwriting and this would be finalized after the pricing and actual allocation.

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of the Company.

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

CAPITAL STRUCTURE

Our Equity Share capital before the Issue and after giving effect to the Issue, as at the date of filing of this Draft Red Herring Prospectus with SEBI, is set forth below:

		Aggregate Value at Face Value (Rs.)	Aggregate Value at Issue Price (Rs.)
A	**Authorized Capital***	**811,000,000**	**[●]**
	64,000,000 Equity Shares of Rs. 10/- each fully Paid 1,710,000 Preference Shares of Rs. 100/- fully Paid	640,000,000 171,000,000	**[●]**
B.	**Issued, Subscribed And Paid-Up Capital before the Issue**	**611,249,020**	[●]
	45,691,702 Equity Shares of Rs. 10 each fully paid-up before the Issue	456,917,020	[●]
	1,543,320 0% Redeemable Cumulative Preference Shares of Rs. 100 each	154,332,000	[●]
C.	**Present Issue in terms of this Draft Red Herring Prospectus**		
	8,100,000 Equity Shares **	81,000,000	[●]
D.	**Employee Reservation Portion** Up to 162,000 Equity Shares	1,620,000	[●]
	Therefore		
E.	**Net Issue to the Public** 7,938,000 Equity Shares	79,380,000	[●]
F.	**Equity Capital after the Issue** 53,791,702 Equity Shares	537,917,020	[●]
G.	**Share Premium Account**		
	Before the Issue	1,456,444,666***	
	After the Issue	[●]	[●]

* **Details in relation to the change in authorized capital of the Company:**

Date	Details of change
July 8, 1997	Increase in authorised capital from Rs. 0.5 million to Rs.5 million.
September 2, 1997	Increase in authorised capital from Rs. 5 million to Rs. 10 million.
February 29, 2000	Increase in authorised capital from Rs. 10 million to Rs. 30 million.
October 5, 2000	Increase in authorised capital from Rs. 30 million to Rs. 65 million.
March 17, 2005	Increase in authorised capital from Rs. 65 million to Rs. 215 million.
March 28, 2006	Increase in authorised capital from Rs. 215 million to Rs. 365 million.
December 15, 2007	Increase in authorised capital from Rs. 365 million to Rs. 811 million.

** The Issue in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution passed at the EGM dated January 14, 2008.

*** Out of the share premium account aggregating Rs. 1,858,904,033 as on March 31, 2007, the Company capitalised Rs. 391,643,160 to issue 39,164,316 bonus shares of face value Rs. 10 each to the shareholders of the Company on December 24, 2007.

Notes to Capital Structure

1. (a) Equity Share Capital History of the Company

Date of Allotment	No. of Equity Shares Issued	Cumulative no. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment of Consideration	Reasons for Allotment	Cumulative Paid-Up Equity Capital (Rs.)	Cumulative Equity Share Premium (Rs.)
May 13, 1993	70	70	10	10	Cash	Allotted to subscribers to Memorandum of Association	700	Nil
June 12, 1993	130	200	10	10	Cash	Allottment	2,000	Nil
March 24, 1995	49,800	50,000	10	10	Cash	Allottment	500,000	Nil
March 2, 2000	350,000	400,000	10	10	Cash	Allottment	4,000,000	Nil
June 27, 2005	3,965,784	4,326,784	10	10	-	Allotment pursuant to the Scheme of Amalgamation*	43,267,840	1,045,490,000
June 30, 2006	261,480	4,588,264	10	10	Cash	Further Allottment	45,882,640	1,045,492,851
August 1, 2006	1,019,617	5,607,881	10	980.76	Cash	Allottment in accordance with the terms of of share subscription cum shareholders agreement, dated July 11, 2006, entered into with IDFC Infrastructure Fund 2 ("Shareholder Agreement")	56,078,810	2,035,296,250
December 15, 2007	919,505	6,527,386	10	10	Cash	Allottment in accordance with the Shareholder Agreement and the addendum cum amendment thereto dated December 10, 2007	65,273,860	1,848,087,826**
December 24, 2007	39,164,316	45,691,702	10	10	Other than cash	Bonus in the ratio of 1:6	456,917,020	1,456,444,666***

* 39,000 Equity Shares out of 3,965,784 Equity Shares allotted in accordance with the order of the Bombay High Court pursuant to a Scheme of Amalgamation (Scheme) dated December 3, 2004 have been cancelled. For more details on the Scheme see the section titled "Scheme of Amalgamation – History and Certain Corporate Matters" on page 106 of this Draft Red Herring Prospectus.
**Rs.176,392,217 was transferred to the preference shares redemption reserve on March 31, 2007 and Rs. 10,816,207 was transferred to the preference shares redemption reserve on September 30, 2007.
*** The Company capitalised Rs. 391,643,160 to issue 39,164,316 bonus shares of face value Rs. 10 each to the shareholders of the Company on December 24, 2007

(b) Preference Share Capital History of the Company

Date of Allotment	No. of Preference Shares	Cumulative No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment of Consideration	Reasons for Allotment	Cumulative Paid-Up Preference Share Capital (Rs.)
November 25, 1997	53,500*	53,500	100	100	Cash	Allottment	5,350,000
March 3, 2000	106,500*	160,000	100	100	Cash	Further Allottment	16,000,000
November 11, 2000	450,000*	610,000	100	100	Cash	Further Allottment	61,000,000
December 3, 2004	-	313,000**	N.A.	N.A.	N.A.	297,000 preference shares were cancelled pursuant to the Scheme of Amalgamation	31,300,000
June 27, 2005	1,368,320***	1,681,320	100	100	Other than cash	Issued pursuant to the Scheme of Amalgamation	168,132,000

* The Company issued 610,000 6% redeemable, non-cumulative, non-convertible preference shares in three tranches. The preference shares shall be redeemed on the date following 10 years from the date of allotment or any other earlier date which the Board of Directors may deem fit subject to the to the approval of the preference shareholders and approval of any other institution/bank if required, to be obtained in the general meeting of the Company. A redemption premium of 100% of the face value of the preference shares will be paid at the time of the redemption subject to the permission of the Reserve Bank of India and any other applicable permissions. The terms of the preference shares were modified at an EGM held on March 18, 2003 such that, the preference shares do not carry any dividend and the preference shares will be paid a redemption premium of Rs. 175 per share on the date of their maturity. The Company redeemed 28,500 preference shares on July 6, 2007. The RBI through letter no. FE.CO.FID/24989/10.78.000/2006-07 dated May 9, 2007 approved the redemption of such preference shares.

** 297,000 preference shares held by Ashoka Vastu Private Limited were cancelled in accordance with the Scheme of Amalgamation such that the total number of preference shares was reduced to 313,000.

***The Company issued 1,368,320 6% redeemable, non-cumulative, non-convertible preference shares. The terms of there preference shares were modified at an EGM held on March 28, 2006 such that the preference shares will not carry any divided with effect from April 1, 2005 and will carry a redemption premium of 150% of the face value of the preference shares. The redemption schedule for these preference shares is as follows:

- 349,470 preference shares were scheduled to be redeemed in December 2007. The Company prematurely redeemed 109,500 preference shares on July 6, 2007. The RBI through letter no. FE.CO.FID/28031/10.78.000/2006-2007 dated May 9, 2007 approved the premature redemption of the preference shares. The Company is in the process of redeeming the remaining 239,970 preference shares;
- 488,350 preference shares shall be redeemed in December 2011;
- 273,500 preference shares shall be redeemed in September 2011; and
- 257,000 preference shares shall be redeemed in October 2012.

2. Promoter Contribution and Lock-in

All Equity Shares, which are being locked-in are eligible for computation of Promoters' contribution and are being locked in under Clauses 4.6 and 4.11.1 of the SEBI Guidelines.

(a) *History of Equity Share Capital held by the Promoters*

Date of Allotment / Transfer	No. of Equity Shares Issued	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
Mr. Ashok M. Katariya						
May 15, 1993	10	10	10	10	Cash	Allotted to subscribers to Memorandum of Association
July 6, 1993	45	55	10	10	Cash	Purchase
March 24, 1995	3,000	3,055				Purchase
March 4, 2000	35,000	38,055				Purchase
June 27, 2005	594,661	632,716	10	-	-	In accordance with the Scheme of Amalgamation.
October 15, 2005	(173,200)	459,516	10	-	Gift	Transferred
October 15, 2005	(25,590)	433,926	10	-	Gift	Transferred
October 15, 2005	(7,961)	425,965	10	-	Gift	Transferred
December 15, 2007	130,000	555,965	10	10	Cash	Allotment
December 24, 2007	3,335,790	3,891,755	10	-	-	Bonus Issue
Mr. Satish D. Parakh						
May 15, 1993	10	10	10	10	Cash	Allotted to subscribers to Memorandum of Association
March 24, 1995	125	135	10	10	Cash	Purchase
March 4, 2000	20,000	20,135	10	10	Cash	Purchase
June 27, 2005	165,120	185,255	10	-	-	In accordance with the Scheme

Date of Allotment / Transfer	No. of Equity Shares Issued	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
						of Amalgamation.
June 30, 2006	106,380	291,635	10	10	Cash	Allotment
December 15, 2007	210,195	501,830	10	10	Cash	Allotment
December 24, 2007	3,010,980	3,512,810	10	-	-	Bonus Issue in the ratio 1:6
Mr. Ashish A. Katariya						
March 24, 1995	4,500	4,500	10	10	Cash	Allotment
March 4, 2000	17,525	22,025	10	10	Cash	Transfer/ Purchase
June 27, 2005	224,450	246,475	10	-	-	In accordance with the Scheme of Scheme of Amalgamation.
October 15, 2005	173,200	419,675	10	-	Other than cash	Gift
May 20, 2006	51	419,726	10	10	Cash	Transfer / purchase
June 30, 2006	15,100	434,826	10	10	Cash	Allotment
December 15, 2007	130,000	564,826	10	10	Cash	Allotment
December 24, 2007	3,388,956	3,953,782	10	10	-	Bonus Issue in the ratio 1:6
Mr. Aditya S. Parakh						
March 24, 1995	2,000	2,000	10	10	Cash	Allotment
March 4, 2000	5,000	7,000	10	10	Cash	Transfer / purchase
June 27, 2005	164,800	171,800	10	-	-	In accordance with the Scheme of Amalgamation.
May 20, 2006	7,5190	246,990	10	-	Other than cash.	Gift
December 24, 2007	1,481,940	1,728,930	10	-	-	Bonus Issue in the ratio 1:6
Ms. Shweta A. Katariya						
March 24, 1995	4,500	4,500	10	10	Cash	Allotment
March 4, 2000	3,850	8,350	10	10	Cash	Allotment
June 27, 2005	224,190	232,540	10	-	-	In accordance with the Scheme of Amalgamation.
June 30, 2006	5,000	237,540	10	10	Cash	Allotment
December 24, 2007	1,425,240	1,662,780	10	-	-	Bonus Issue in the ratio 1:6
Ashoka Bitucon Exim Private Limited						

Date of Allotment / Transfer	No. of Equity Shares Issued	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
June 27, 2005	142,545	142,545	10	10	-	In accordance with the Scheme of Amalgamation.
December 24, 2007	855,270	997,815	10	-	-	Bonus Issue in the ratio 1:6

(b) History of Equity Share Capital held by the Promoter Group

Date of Allotment/Transfer	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
Mrs. Asha A. Katariya					
March 24, 1995	4,500	10	10	Cash	Allotment
March 4, 2000	25,975	10	10	Cash	Transfer
March 24, 2000	8,525	10	10	Cash	Transfer
June 27, 2005	200,180	10	-	-	Allotment pursuant to Scheme of Amalgamation
October 15, 2005	25,590	10	10	Cash	Transfer
June 27, 2006	67,270	10	-	-	Allotment pursuant to Scheme of Amalgamation
June 30, 2006	44,400	10	10	Cash	Allotment
December 24, 2007	2,258,640	10	-	-	Bonus Issue in the ratio 1:6
Mrs. Astha A. Katariya					
October 15, 2005	7,961	10	-	Gift	Transfer
May 20, 2006	113,273	10	-	Gift	Transfer
June 30, 2006	75,000	10	-	Gift	Transfer
December 15, 2007	238,017	10	10	Cash	Allotment
December 24, 2007	2,605,506	10	-	-	Bonus Issue in the ratio 1:6
Ashok M. Katariya (HUF)					
March 24, 1995	3,925	10	10	Cash	Allotment
September 21, 1997	1	10	10	Cash	Transfer
March 4, 2000	35,075	10	10	Cash	Transfer
November 26, 2001	1	10	10	Cash	Transfer
June 27, 2005	255,190	10	-	-	Allotment pursuant to Scheme of Amalgamation
June 30, 2006	100	10	10	Cash	Allotment
December 24, 2007	1,765,740	10	-	-	Bonus Issue in the ratio 1:6
Mrs. Shobha S. Parakh					

Date of Allotment/Transfer	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
March 24, 1995	2,000	10	10	Cash	Allotment
March 4, 2000	20,000	10	10	Cash	Transfer
June 27, 2005	164,800	10	-	-	Allotment pursuant to Scheme of Amalgamation
October 21, 2006	171,750	10	10	Cash	Transfer
December 15, 2007	143,000	10	10	Cash	Allotment
December 24, 2007	3,009,300	10	-	-	Bonus Issue in the ratio 1:6
Satish D. Parakh (HUF)					
June 27, 2005	164,800	10	-	-	Allotment pursuant to Scheme of Amalgamation
December 24, 2007	988,800	10	-	-	Bonus Issue in the ratio 1:6
Ashoka Builders (Nashik) Private Limited					
March 3, 2000	150,000	10	10	Cash	Allotment
March 4, 2000	(111,000)	10	10	Cash	Transfer
June 27, 2005	776,360	10	-	-	Allotment pursuant to Scheme of Amalgamation
June 21, 2006	(731,540)	10	10	Cash	Transfer
June 21, 2007	(82,800)	10	10	Cash	Transfer
December 24, 2007	6,120	10	-	-	Bonus Issue in the ratio 1:6
Ashoka Bitucon International Private Limited					
June 30, 2006	5,000	10	10	Cash	Allotment
December 24, 2007	30,000	10	-	-	Bonus Issue in the ratio 1:6
Ashoka Buildwell and Developers Private Limited					
June 27, 2005	2,570	10	-	-	Allotment pursuant to Scheme of Amalgamation
December 24, 2007	15,420	10	-	-	Bonus Issue in the ratio 1:6
Ashoka Premises Private Limited (nominee of Ashoka Township)					
June 21, 2006	731,540	10	10	Cash	Transfer
December 24, 2007	4,389,240	10	-	-	Bonus Issue in the ratio 1:6
Mr. Ashish A. Katariya (as nominee of Ashoka Engineering Co.)					
April 8, 2006	21,450	10	10	Cash	Transfer
December 24, 2007	128,700	10	-	-	Bonus Issue in the ratio 1:6
Mr. Satish D. Parakh (as nominee of Ashoka Engineering Co.)					
April 8, 2006	17,550	10	10	Cash	Transfer
December 24, 2007	105,300	10	-	-	Bonus Issue in the ratio 1:6

Date of Allotment/Transfer	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
Mr. Ashok M. Katariya (as nominee of Shubham Developers)					
June 30, 2006	3,025	10	10	Cash	Allotment
December 24, 2007	18,150	10	-	-	Bonus Issue in the ratio 1:6
Mr. Satish D. Parakh (as nominee of Shubham Developers)					
June 30, 2006	2,475	10	10	Cash	Allotment
December 24, 2007	14,850	10	-	-	Bonus Issue in the ratio 1:6
Mr. Ashok M. Katariya (as nominee of A.P. Equipments & Co.)					
June 30, 2006	2,750	10	10	Cash	Allotment
March 21, 2007	45,540	10	10	Cash	Transfer
December 24, 2007	289,740	10	-	-	Bonus Issue in the ratio 1:6
Mr. Satish D. Parakh (as nominee of A.P. Equipments & Co.)					
June 30, 2006	2,250	10	10	Cash	Allotment
March 21, 2007	37,260	10	10	Cash	Transfer
December 24, 2007	237,060	10	-	-	Bonus Issue in the ratio 1:6

(c) Details of Promoters contribution locked in for three years

Pursuant to the SEBI Guidelines, an aggregate of 20% of the post issue capital of the Company held by the Promoters shall be locked-in for a period of three years from the date of Allotment in the Issue. The details of such lock-in are given below:

Name	Number of Equity Shares	Face Value (Rs.)	Nature of Consideration	Issue Price per Equity Share (Rs.)	Date of Allotment/Acquisition	Reasons for Allotment	% of post-Issue paid-up capital	Lock – in period
Mr. Askok Katariya	2,085,030	10	-	-	December 24, 2007	Bonus Issue in the ratio 1:6*	3.88	3 years
Mr. Satish Parakh	1,969,350	10	-	-	December 24, 2007	Bonus Issue in the ratio 1:6*	3.66	3 years
Mr. Ashish Katariya	224,450	10	-	-	June 27, 2005	In accordance with the Scheme of Amalgamation**	0.42	3 years
	130,000	10	Cash	10	December 15, 2007	Further Allotment	0.24	
	3,345,550	10	-	-	December 24, 2007	Bonus Issue in the ratio 1:6*	6.22	
	3,700,000						**6.88**	
Ms. Shweta Katariya	224,190	10	-	-	June 27, 2005	In accordance with Scheme of Amalgamation**	0.42	3 years
	1,275,810	10	-	-	December 24, 2007	Bonus Issue in the ratio 1:6*	2.37	

Name	Number of Equity Shares	Face Value (Rs.)	Nature of Consideration	Issue Price per Equity Share (Rs.)	Date of Allotment/Acquisition	Reasons for Allotment	% of post-Issue paid-up capital	Lock – in period
	1,500,000						**2.79**	
Mr. Aditya Parakh	164,800	10	-	-	June 27, 2005	In accordance with Scheme of Amalgamation**	0.31	3 years
	1,335,200	10	-	-	December 24, 2007	Bonus Issue in the ratio 1:6*	2.48	
	1,500,000						**2.79**	
TOTAL	**10,754,380**						**20.0**	

*Out of the share premium account aggregating Rs. 1,848,087,826 as on September 30, 2007, the Company capitalised Rs. 391,643,160 to issue 39,164,316 Equity Shares of face value Rs. 10 each by way of bonus to the shareholders of the Company on December 24, 2007. The bonus Equity Shares have been issued on Equity Shares which would be included for purposes of promoter's contribution. The bonus Equity Shares have not been issued out of revaluation reserves or reserves created without accrual of cash resources or against shares which are otherwise ineligible for computation of promoter's contribution.

** For details on the Scheme of Amalgamation, see the section entitled "History and Certain Corporate Matters – Scheme of Amalgamation" on page 106 of this Draft Red Herring Prospectus.

In terms of Clause 4.14.1 of the SEBI Guidelines, in addition to 20% of the post-Issue shareholding of the Company held by the Promoter and locked in for three years as specified above, the entire pre-Issue share capital of the Company 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 Guidelines, the Equity Shares held by persons other than the Promoter 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 Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable. Further, in terms of Clause 4.16.1(b) of the SEBI Guidelines, Equity Shares held by the Promoter may be transferred to and among the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Guidelines, as amended from time to time.

As per clause 4.15.1 of the SEBI Guidelines, the locked in Equity Shares held by the Promoters can be pledged only 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 can be created when the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

3. **Details of transactions in Equity Shares by the Promoters and Promoter Group Companies**

No Equity Shares have been sold or purchased by the Promoter and the Promoter Group Companies, during the period of six months preceding the date on which the Draft Red Herring Prospectus is filed with SEBI.

4. **Details of transactions in Preference Shares by the Promoters and Promoter Group Companies**

No Preference Shares have been sold or purchased by the Promoter and the Promoter Group Companies, during the period of six months preceding the date on which the Draft Red Herring Prospectus is filed with SEBI.

5. **Shareholding Pattern of the Company**

The shareholding pattern of the Company before and after the Issue is as under:

Category	Pre-Issue		Post Issue**	
	No of Equity Shares	Percentage	No of Equity Shares	Percentage
Promoters (A)				
Ashok M. Katariya	3,891,755	8.52	3,891,755	7.23
Satish D. Parakh	3,512,810	7.69	3,512,810	6.53
Ashish A. Katariya	3,953,782	8.65	3,953,782	7.35
Aditya S. Parakh	1,728,930	3.78	1,728,930	3.21
Shweta A. Katariya	1,662,780	3.64	1,662,780	3.09
Ashoka Bitucon Exim Private Limited	997,815	2.18	997,815	1.85
Total (A)	**15,747,872**	**34.47**	**15,747,872**	**29.28**
Promoter Group (B)				
Asha A. Katariya	2,635,080	5.77	2,635,080	4.90
Astha A. Katariya	3,039,757	6.65	3,039,757	5.65
Ashok M. Katariya (HUF)	2,060,030	4.51	2,060,030	3.83
Shobha S. Parakh	3,510,850	7.68	3,510,850	6.53
Satish D. Parakh (HUF)	1,153,600	2.52	1,153,600	2.14
Ashoka Builders (Nasik) Private Limited	7,140	0.02	7,140	0.01
Ashoka Bitucon International Private Limited	35,000	0.08	35,000	0.07
Ashoka Buildwell and Developers Private Limited	17,990	0.04	17,990	0.03
Ashoka Premises Private Limited (as nominee of Ashoka Township)	5,120,780	11.21	5,120,780	9.52
Ashish A. Katariya (as nominee of Ashoka Engineering Co.)	150,150	0.33	150,150	0.28
Satish D. Parakh (as nominee of Ashoka Engineering Co.)	122,850	0.27	122,850	0.23
Ashok M. Katariya (as nominee of Shubham Developers)	21,175	0.05	21,175	0.04
Ashok M. Katariya (as nominee of A.P. Equipments & Co.)	338,030	0.74	338,030	0.63
Satish D. Parakh (as nominee of Shubham Developers)	17,325	0.04	17325	0.03
Satish D. Parakh (as nominee of A.P. Equipments & Co.)	276,570	0.61	276,570	0.51
Snehal S. Parakh	350,000	0.77	350,000	0.65
Total (B)	**18,856,327**	**41.27**	**18,856,327**	**35.05**

Category	Pre-Issue		Post Issue**	
	No of Equity Shares	Percentage	No of Equity Shares	Percentage
Others (C)				
Sanjay P. Londhe	98,763	0.22	98,763	0.18
Narendra R. Shakadwipi	531,363	1.16	531,363	0.99
Vimal N. Shakadwipi	15,925	0.03	15,925	0.03
Komal N. Shakadwipi	11,025	0.02	11,025	0.02
Nishant N. Shakadwipi	10,500	0.02	10,500	0.02
Sunil B. Raisoni	1,977,213	4.33	1,977,213	3.68
Kalpana S. Raisoni	736,470	1.61	736,470	1.37
Sagar S. Raisoni	499,100	1.09	499,100	0.93
IDFC PE II	7,137,319	15.62	7,137,319	13.27
Ramanlal B. Parakh	41,090	0.09	41,090	0.08
Milind R. Parakh	14,350	0.03	14,350	0.03
Aruna R. Parakh	14,000	0.03	14,000	0.03
Sushil R. Parakh	385	0.00	385	0.00
Total (C)	**11,087,503**	**24.27**	**11,087,593**	**20.61**
Total (A+B+C)	**45,691,702**	**100.00**	**4,56,91,702**	**84.94**

6. **Equity Shares held by top ten shareholders**

The details of the top ten shareholders of the Company and the number of Equity Shares held by them are as under:

a) **As on the date of, and ten days prior to filing of this Draft Red Herring Prospectus:**

S. No.	Shareholder(s)	Number of Equity Shares	Percentage (%)
1.	IDFC Infrastructure Fund II	7,137,319	15.62
2.	Ashoka Premises (Ashoka Township)	5,120,780	11.21
3.	Ashish Ashok Katariya	3,953,782	8.65
4.	Ashok Motilal Katariya	3,891,755	8.52
5.	Satish Dhondulal Parakh	3,512,810	7.69
6.	Shobha Satish Parakh	3,510,850	7.68
7.	Astha Ashish Parakh	3,039,757	6.65
8.	Asha Ashok Katariya	2,635,080	5.77
9.	Ashok Motilal Katariya (HUF)	2,060,030	4.51
10.	Sunil Bansilal Raisoni	1,977,213	4.33
	TOTAL	**64,739,376**	**80.63**

b) **Two years prior to filing of this Draft Red Herring Prospectus:**

S. No.	Shareholder(s)	Number of Equity Shares	Percentage (%)
1.	Ashoka Builders (Nasik) Pvt. Ltd.	815,360	18.84
2.	Ashok M. Katariya	425,965	9.84
3.	Asha A. Katariya	419,675	9.70
4.	Ashok M. Katariya (HUF)	332,040	7.67
5.	Ashish A. Katariya	294,190	6.80
6.	Shweta A. Katariya	232,540	5.37

S. No.	Shareholder(s)	Number of Equity Shares	Percentage (%)
7.	Shobha S. Parakh	186,800	4.32
8.	Satish D. Parakh	185,255	4.28
9.	Aditya S. Parakh	171,800	3.97
10.	Snehal S. Parakh	171,750	3.97
	TOTAL	**3,235,375**	**74.76**

7. Employee stock option scheme

Except for options granted under our employee stock option plan ("ESOP"), there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares.

We have an employee stock option scheme in force, which is applicable to all our Directors, and employees:

ESOP scheme	Outstanding Options	Remarks
Ashoka Buildcon Limited Employee Stock Option Scheme, 2007	758,321	The special resolution passed by our Company at its EGM dated December 15, 2007 approved the grant of up to 163,200 Eequity Shares of the Company subject to any issue of equity shares by way of bonus or rights issues. The Company made a bonus issue of 39,164,316 Equity Shares on December 24, 2007. Accordingly, 1,142,400 Equity Shares will now be granted in accordance with the ESOP Scheme.

(a) ESOP 2007

Particulars	Details
Options granted	758,321
Exercise price of options	Rs. 190 per option
Total options vested	Nil
Options exercised	Nil
Total number of equity shares that would arise as a result of full exercise of options already granted	1,142,400
Options forfeited/ lapsed/ cancelled	Nil
Variations in terms of options	*Loyalty Options:* Loyalty options are proposed to be granted to employees for their past association and performance during such period. A benefit of 10% of "CTC" for each completed year of service as on November 30, 2007 will be considered while granting loyalty options. The vesting of Loyalty Options is linked to the continued association of the employee with the Company and will therefore vest based on the passage of time. *Growth Options:* Growth options are to be granted to those employees who are either in the top or middle management cadre. The number of

<table>
<tr><th>Particulars</th><th colspan="2">Details</th></tr>
<tr><td></td><td colspan="2">growth options would be based on the “CTC” of the employees, along with their performance ratings to be reviewed every year by the Compensation Committee.
The vesting of Growth Options is linked to to the continued association of the employee with the Company and individual performance.</td></tr>
<tr><td>Money realised by exercise of options</td><td colspan="2">N.A.</td></tr>
<tr><td>Options outstanding (in force)</td><td colspan="2">758,321</td></tr>
<tr><td>Person wise details of options granted to</td><td colspan="2"></td></tr>
<tr><td>i) Directors and key managerial employees</td><td colspan="2">Please see Note 1 below</td></tr>
<tr><td>ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td colspan="2">Nil</td></tr>
<tr><td>iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</td><td colspan="2">Nil</td></tr>
<tr><td rowspan="15">Fully diluted EPS on a pre-Issue basis

Vesting schedule</td><td colspan="2">As on March 31, 2007 – Rs. 46.70 (On a unconsolidated basis)
As on March 31, 2007 – Rs. 28.22 (On a consolidated basis)</td></tr>
<tr><td colspan="2">Loyalty Options</td></tr>
<tr><td>Time from date of Grant</td><td>Percentage of Shares Vesting (%)</td></tr>
<tr><td>12 months</td><td>20</td></tr>
<tr><td>24 months</td><td>20</td></tr>
<tr><td>36 months</td><td>20</td></tr>
<tr><td>48 months</td><td>20</td></tr>
<tr><td>60 months</td><td>20</td></tr>
<tr><td colspan="2">Growth Options</td></tr>
<tr><td colspan="2">20% of the options granted would vest based on the passage of time. The employee would be entitled to 20% of the options granted so long as he continues in the employment of the Company.
80% of the options granted would vest each year based on the individual performance in the immediately preceding year. The vesting % on achieving specific performance is as follows:</td></tr>
<tr><td>Achievement of Performance Rating</td><td>% Vesting</td></tr>
<tr><td>A</td><td>100%</td></tr>
<tr><td>B</td><td>60%</td></tr>
<tr><td>C</td><td>25%</td></tr>
<tr><td>D</td><td>0%</td></tr>
<tr><td>Lock-in</td><td colspan="2">Nil</td></tr>
</table>

Particulars	Details
Impact on profits of the last three years	Nil

Note 1: Details regarding options granted to our Directors and our key managerial employees are set forth below:

Name of director/ Key Managerial Personnel	Total No. of options granted under ESOP 2007	Type of options granted under ESOP 2007	No. of options exercised under ESOP 2007	Total No. of options outstanding under ESOP 2007	No. of Equity Shares held
Mr. Sanjay P. Londhe *(Executive Director – non Board)*	107,153	*Growth Option*s: 64,190 *Loyalty Option*s: 42,963	Nil	107,153	98,763
Mr. Dilipbhai D. Kothari *(Executive Director – non Board)*	13,484	*Growth Options:*10,520 *Loyalty Options:* 2,964	Nil	13,484	Nil
Mr. Shrikant P. Shukla *(Vice President – Technical)*	18,353	*Growth Options:* 11,230 *Loyalty Options:* 7,123	Nil	18,353	Nil
Mr. Paresh C. Mehta *(Vice President – Finance and Accounts)*	14,073	*Growth Options:* 11,290 *Loyalty Options:* 2,783	Nil	14,073	Nil
Mr. Shyamsunder D. Joshi *(Deputy General Manager, Projects)*	8,981	*Growth Options:* 8,390 *Loyalty Options:* 591	Nil	8,981	Nil
Mr. Pradeep Nayyar *(Deputy General Manager, Projects)*	9,277	*Growth Options*: 83,90 *Loyalty Options*: 887	Nil	9,277	Nil
Mr. Deepak H. Bhagat *(Deputy General Manager - Legal)*	8,897	*Growth Options*: 5,960 *Loyalty Options*: 2,937	Nil	8,897	Nil
Mr. Suresh M. Wagh *(Deputy General Manager -*	8,839	*Growth Options:* 5,920 *Loyalty*	Nil	8,839	Nil

Name of director/ Key Managerial Personnel	Total No. of options granted under ESOP 2007	Type of options granted under ESOP 2007	No. of options exercised under ESOP 2007	Total No. of options outstanding under ESOP 2007	No. of Equity Shares held
Technical)		*Options:* 2,929			
Mr. Peeyush Jain *(Deputy General Manager - Accounts)*	8,613	*Growth Options:* 7,550 *Loyalty Options:* 1,063	Nil	8,613	Nil
Mr. Manoj Kulkarni *(Company Secretary)*	2,057	*Growth Options:* 1,890 *Loyalty Options:* 167	Nil	2,057	Nil
Mr. Omkar S. Bendre (*Management Representative*)	3,090	*Growth Options:* 2,840 *Loyalty Options:* 250	Nil	3,090	Nil

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

9. Except as stated in the section titled "Our Management" on page 127 of this Draft Red Herring Prospectus, none of our Directors or Key Managerial Personnel hold any Equity Shares in the Company.

10. The Company has not raised any bridge loan against the proceeds of the Issue. For details on use of proceeds, see the section titled "Objects of the Issue" on page 38 of this Draft Red Herring Prospectus.

11. Except as stated in note 3 above, Our Promoters, Directors, and our Promoter Group have not purchased or sold any Equity Shares within the six months preceding the date of filing this Draft Red Herring Prospectus.

12. At least 60% of the Net Issue shall be allocated to QIBs on a proportionate basis. 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. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the discretion of the Company and the BRLMs.

13. A total of up to 162,000 Equity Shares has been reserved for allocation to Eligible Employees, subject to valid Bids being received at or above the Issue Price and subject to the maximum Bid in this portion being [●]. Only Eligible Employees as on January 1, 2008 would be eligible to apply in this Issue under the Employee Reservation Portion, on a competitive basis. Bid/ Application by Eligible Employees can be made also in the "Net Issue" and such Bids shall not be treated as multiple Bids.

14. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Non Institutional Portion and Retail Portion at the discretion of the BRLMs. 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 subject to the Net Issue being atleast 10% of the post Issue capital. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill over from other categories at our discretion in consultation with the BRLMs.

15. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off.

16. A Bidder cannot make a Bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

17. Except as stated above, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.

18. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the equity shares offered hereby have been listed.

19. The Company presently does not have any intention or proposal to alter capital structure for a period of six months commencing from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or otherwise. However, during such period or at a later date, we may issue Equity Shares pursuant to our employee stock option plan or issue equity shares or securities linked to equity shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture, or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in our interest.

20. We have not issued any Equity Shares out of revaluation reserves or for consideration other than cash except as stated in the Equity Share Capital History table above.

21. The Equity Shares being offered in this Issue will be fully paid up at the time of Allotment.

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

23. The Company, Directors, Promoters or Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue, except as disclosed in this Draft Red Herring Prospectus.

24. The Equity Shares held by the Promoters other than Ashoka Bitucon Exim Private Limited are not subject to any pledge. Ashoka Bitucon Exim Private Limited has pledged 142,545 Equity Shares with Axis Bank Limited. In accordance with clause 4.6.4A of the SEBI Guidelines these Equity Shares have not been computed towards promoter contribution.

25. As of January 1, 2008, we had 35 members.

OBJECTS OF THE ISSUE

The objects of the Issue are:

- To contribute to a part of the investment required by Ashoka Highways (Bhandara) Limited, our subsidiary formed for construction, operation and maintenance of a 320 km (four lanes) long road section of the National Highway 6 from the Chhatisgarh/Maharashtra border to the Wainganga Bridge section (from 405 km to 485 km of National Highway 6);
- Investment in capital equipment;
- Funding our subsidiaries for repayment of their loans;
- General corporate purposes; and
- To achieve the benefits of listing our Equity Shares.

The net proceeds of the Issue after deducting all Issue related expenses are estimated to be Rs. [●] million.

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

We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as changes in design or configuration of the project, incremental pre-operative expenses and external factors such as geological assessments which may not be within the control of our management and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management. In case of any surplus after utilization of the proceeds from the Issue for the stated objects, we may use such surplus towards general corporate purposes. In the event of a shortfall in raising the requisite capital from the proceeds of the Issue towards meeting the objects of the Issue, the extent of the shortfall will be met by way of such means available to our Company, including by way of incremental debt or cash available with us.

Utilisation of the Issue Proceeds

S. No.	Particulars	Amount to be utilized (In Rs. Million)				
		April 1, 2007 to March 31, 2008	**April 1, 2008 to March 31, 2009**	**April 1, 2009 to March 31, 2010**	**April 1, 2010 to March 31, 2011**	**Total**
1.	Investment in Ashoka Highways (Bhandara) Limited for the NH-6 Bhandara Road Project.	Nil	850.00	400.00	Nil	1,250.00
2.	Investment in capital equipment	Nil	213.00	87.15	Nil	300.15
3.	Funding the subsidiaries for repayment of their loans	Nil	731.14	Nil	Nil	731.14

S. No.	Particulars	Amount to be utilized (In Rs. Million)				
4.	General Corporate Purposes	Nil	[●]	[●]	[●]	[●]
5.	Issue Expenses	Nil	[●]	[●]	[●]	[●]

Investment in Ashoka Highways (Bhandara) Limited (AHBL)

We directly own a stake of 89% in the equity share capital of AHBL. The remaining 10% interest is held by IDFC and 1% by Promoters to be beneficially held by the Company. For more details please see "History and Certain Corporate Matters on page 106 of this Draft Red Herring Prospectus.

Under the terms of the concession agreement, the construction of the project is to be completed by March 2010. If the road is not completed by March 2010 for any reason other than conditions constituting force majeure or for reasons attributable to NHAI or any governmental agency, Ashoka Highways (Bhandara) Limited is liable to pay to NHAI as damages for the delay an amount calculated at the rate of 0.01% of the estimated cost of construction of the road as per the bid document per week or part thereof. The concession period will expire in March 2028.

The concession agreement provides that NHAI will give a grant of Rs. 100 million to Ashoka Highways (Bhandara) Limited during the construction phase of the project. The toll rates are set forth in the concession agreement with a clause to revise the rates every year with effect from September 1 as per the changes in the Indian Wholesale Price Index each fiscal year. For further details please see the section titled "Our Business - BOT Projects – Construction not Complete" on page 89 of this Draft Red Herring Prospectus.

The estimated cost of setting up this project is Rs. 5,350.00 million. It has been appraised by IDFC. This project cost is proposed to be financed with a debt component of Rs. 3,750 million, of which Rs. 2,850 million has been sanctioned through a rupee term loan from IDFC by a letter of intent dated January 11, 2008. This sanctioned amount is subject to the terms and conditions set forth in the Letter of Intent as well as the terms and conditions of the loan agreement which will be finalised at a later date. A brief summary of the terms and conditions as stated in the letter of intent are as follows:
Interest Rate: The loan will be disbursed in two tranches of Rs. 500 million and Rs.2,350 million and the applicable interest rates would be 2.25% per annum and 3.25% per annum respectively over and above the benchmark rate. The benchmark rate shall mean the 3 year IDFC Benchmark Rate, which is 8.79% as on date. Further IDFC shall have the right to reset the applicable interest rate every three years from the date of the first date of disbursement subject to 14 days prior notice.
Repayment: The loan is expected to be repaid in 144 structured monthly instalments commencing from April 30, 2011.
Liquidated Damages: In case of default in payment of any instalment, the Company shall pay liquidated damages at the rate of 2% per annum.
Security: The loan alongwith all the other monies payable by AHBL shall be secured by:

- A first charge by way of hypothecation in favour of IDFC of all of AHBL's movable, including movable machinery, machinery spares, tools and accessories, present and future.
- A first charge in favour of IDFC on all intangibles of AHBL.
- Pledge of shares held by the Company in demat form in the equity share capital of AHBL representing 90% of the total paid up equity share capital of AHBL.
- Irrevocable and unconditional guarantee of the Company for meeting the shortfall in amount payable in respect of the loan on account of termination of the concession agreement including construction period.
- A first charge in favour of IDFC on AHBL's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising.
- A first charge by way of assignment or creation of charge of (i) all the right, title, interest, benefits, claims and demands whatsoever of AHBL in the project documents, duly acknowledged and consented to by relevant counter-parties to such project documents (ii) all rights, title, interest,

benefits, claims and demands whatsoever of AHBL in the clearances relating to the project, (iii) all rights, title, interest, benefits, claims and demands whatsoever of AHBL in any letter of credit, guarantee, performance bond provided by any party to the project documents and (iv) all insurance contracts / insurance proceeds relating the project.

- A first charge on the Escrow Account, Debt Service Reserve Account and other reserves and any other bank accounts of AHBL wherever maintained.

The aforestated security interest shall be shared pari passu with senior debt lenders (senior debt to the extent of Rs. 3750 million), working capital lenders for an amount not exceeding Rs. 10 million and with the performance guarantee providers to the extent of Rs. 250 million.

The project will be also financed with an equity component of Rs. 1,500 million and a grant of Rs. 100 million by NHAI. Out of the total equity requirement of Rs. 1,500 million, we have already infused Rs. 0.45 million and expect to infuse Rs. 1,349.55 million towards initial equity infusion. The balance requirement of Rs. 1,250 million will be met from the proceeds from the Issue. There is no assurance that the Company shall realise any returns or that the Company shall not incur any losses from its investment in AHBL.

The break-up of the total approved project cost and the amount spent till November 30, 2007 is as follows:

(*In Rs. million*)

Item	**Total Estimated Cost**	**Amount spent till November 30, 2007***
EPC Cost	4,650.00	Nil
PMC / LE / IE / Consultancy	70.00	Nil
Interest during construction period	410.00	Nil
Project contingency	150.00	Nil
Preliminary expenses including SPV formation	70.00	2.98

* As per certificate dated January 14, 2008 from Sanjay V. Goyal & Co., Chartered Accountant

Investment in Capital Equipment

We are required to make investments in capital equipment on a recurring basis due to the nature of the industry we operate in. We intend to use Rs. 300 million from the Net Proceeds for the purchase of capital equipment to meet the requirements of our various projects based on our order book of projects as of November 30, 2007 and future requirements as estimated by the management.

The following table sets out the equipments that are currently under consideration for placement of order:

Sr. No.	**Description**	**Quantity**	**Unit Cost (In Rs. Million)**	**Total Amount (In Rs. Million)**	**Quotation From**
1.	Excavator 20 MT	4	4.87	19.48	L&T - Komatsu Limited
2.	Hyva Tipper 16 MT	22	1.67	36.78	Sterling Motors
3.	Backhoe loader	2	1.90	3.80	L & T Case Equipments Private Limited
4.	Soil Compactor	5	2.11	10.54	L & T Case Equipments Private Limited
6.	Motor Grader	2	5.92	11.83	L & T Limited
7.	RMC Plant	2	4.68	9.36	Schwing Stettar India Pvt. Limited
8.	Transit mixer	8	2.40	19.17	Schwing Stettar India Pvt. Limited
9.	Concrete Pump	3	2.25	6.76	Schwing Stettar India Pvt. Limited
10.	Gantry 30MT cap.	1	5.00	5.00	Sudhir Gensets Limited

Sr. No.	Description	Quantity	Unit Cost (In Rs. Million)	Total Amount (In Rs. Million)	Quotation From
11.	D.G. 500 kva	2	2.45	4.89	Sudhir Gensets Limited
12.	D.G. 140 kva	2	0.86	1.71	Sudhir Gensets Limited
13.	D.G. 125 kva	1	0.60	0.60	Powerica Limited
14.	D.G. 40 kva	2	0.40	0.79	M. Power Solutions
15.	D.G. 15 kva	5	0.26	1.30	Sudhir Gensets Limited
16.	Hydra Crane	2	1.29	2.58	Escorts Constructions Equipments Limited
17.	WMM plant	1	2.54	2.54	Apollo Earthmovers Limited
18.	WMM paver	2	4.42	8.83	Gujarat Apollo Equipments Limited
19.	Wheel Loader	3	2.81	8.43	JCB India Limited
20.	Hot Mix Plant	2	35.90	71.80	linnhoff Technologies Pte Limited
21.	Asphalt Paver 9M Mobile	1	15.68	15.68	Joseph Vogele AG
22.	Bouzer	5	0.73	3.66	Jagdish Industries
23.	PTR	2	3.34	6.67	Writgen India Private Limited
24.	Tandom Roller	4	2.13	8.50	Escorts Constructions Equipments Limited
25.	Kerb Laying Machine	2	0.98	1.95	Apollo Construction Equipments Pvt. Limited
26.	Concrete Boom Pump	1	13.45	13.45	Sany Heavy Industries Co. Limited
27.	Tractor with Trolley	8	0.48	3.84	Central Motors
28.	Trailer	2	1.30	2.60	Amma Engineering Industries
29.	Hydraulic Crane	1	17.59	17.59	SN Mercantile (India) Pvt. Limited
			TOTAL	**300.15**	

We purchase the equipments set out above on a regular basis in the course of our business. The prices for the equipments proposed to be purchased as set out above are as per quotations received from the respective suppliers between September to December, 2007 and January 2008. We will obtain fresh quotations at the time of actual placement of the order for the respective equipment.

The estimated expenditure plan has not been appraised by an independent organization. In addition, the Company's capital expenditure plans are subject to a number of variables, including possible cost overruns, construction delays or defects and changes in the management's views of the desirability of current plans, among others.

Funding Subsidiaries for Repayment of Loans

Certain subsidiaries of the Company have availed of loan facilities from a number of banks/ financial institutions and other lenders. These loan facilities aggregated to Rs. 1,040 million as on September 30, 2007. As on September 30, 2007, the amount outstanding from the subsidiaries under these facilities was Rs. 794.58 million. The Company will utilise a portion of the Issue proceeds to fund the subsidiaries in order to enable such subsidiaries to repay loans availed by them. The details of the loan amounts proposed to be repaid out of Issue proceeds are provided in the table below:

(In Rs. Million)

S. No.	Name of the Subsidiary	Name of the Lender	Total Amount	Date of the loan facility agreement	Amount Outstanding as on September 30, 2007	Amount to be Outstanding as on March 31, 2008	Amount proposed to be repaid out of the Issue proceeds
1	Ashoka Infrastructure Limited	Indian Overseas Bank Limited	173	September 26, 2003	139.65	126.17	126.17
2	Ashoka Infrastructure Limited	Oriental Bank of Commerce	207		165.25	149.12	149.12
3	Ashoka Infrastructure Limited	Allahabad Bank	173		141.10	127.62	127.62
4	Ashoka Infrastructure Limited	Indian Bank	104		84.52	76.47	76.47
5	Ashoka Infrastructure Limited	SIDBI	173		140.11	126.62	126.62
6	Ashoka Infraways Pvt. Limited	Axis Bank Limited	210	October 14, 2003	123.94	107.14	107.14
	TOTAL		**1,040**		**794.58**	**731.14**	**731.14**

General Corporate Purposes and other strategic initiatives

As part of our on-going business strategy, we have bid for and we will continue to bid for various infrastructure projects on a BOT or EPC basis and invest in SPVs. If and when our bids are successful, to be able to undertake such projects, we would be required to form SPVs to facilitate the execution of such projects. The civil engineering and construction industry is dynamic in nature and the Company's plan and strategy will depend on future additions in the Order Book, the types of contracts and the schedule of execution of different contracts. We intend to deploy the balance Proceeds from the Issue aggregating Rs. [●] million, towards General Corporate Purposes, including but not restricted to meeting working capital requirements, strategic initiatives, partnerships, joint ventures, meeting exigencies, which our Company in the ordinary course of business may face, or any other purposes as approved by our Board.

The management in accordance with the policies established by the Board, will have flexibility in applying the portion of the net proceeds allocated for investments in SPVs for general corporate purposes. Whilst, we expect to utilize the Issue proceeds in the manner provided above, the Board shall have flexibility in utilizing the Issue proceeds for other new projects including those secured by us through a bidding process or through negotiations.

Issue Expenses

The Issue related expenses consist of underwriting fees, selling commission, fees payable to BRLMs to the Issue, legal counsels, Bankers to the Issue, Escrow Bankers and Registrars to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. We intend to use about Rs. [●] million towards these expenses for the Issue. All expenses with respect to the Issue will be borne out of Issue proceeds. The break-up for the Issue expenses is as follows:

Lead Management, Underwriting and Selling Commission	[●]
Advertising and marketing expenses	[●]
Printing and stationery (including courier, transportation charges)	[●]
Others (Registrar fees, legal fees, listing costs etc)	[●]
Fees paid to rating agency	[●]
Total	[●]

Benefits of Listing

We believe that the listing of Equity Shares will *inter alia*, enhance our visibility and brand name among our existing and potential customers.

Interim Use of Proceeds

Our management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investments would be in accordance with the investment policies approved by the Board from time to time.

Monitoring of Utilization of Funds

There is no requirement for a monitoring agency in terms of clause 8.17 of the SEBI DIP Guidelines. Our Board shall monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head along with details, if any in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue in our Balance Sheet for the relevant Financial Years commencing from Financial Year 2008.

Pursuant to clause 49 of the Listing Agreement, the Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, the Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement shall be certified by the statutory auditors of the Company. Furthermore, in accordance with clause 43A of the Listing Agreement the Company shall furnish to the stock exchanges on a quarterly basis, a statement including material deviations if any, in the utilisation of the process of the Issue from the objects of the Issue as stated above. This information will also be published newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

No part of the Issue proceeds will be paid by the Company as consideration to the Promoters, the Directors, the Company's key management personnel or companies promoted by the Promoters except in the usual course of business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by us in consultation with the BRLMs on the basis of demand from investors for the Equity Shares through the Book Building Process. The face value is Rs. 10 and the Issue Price is [•] times of the face value at the lower end of the Price Band and [•] of the face value at the higher end 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.
- NHAI is awarding road projects on BOT and DBFO basis
- Focus on double and four laning of existing single lane highways

Factors internal to the Company

- Significant operating experience and strong track record
- Ability to execute projects in difficult operating conditions in a timely manner
- Continuous growth in bid capacity and pre-qualification capability
- Integrated execution capabilities with in-house construction and management capabilities
- Experienced management team and staff

For some of the qualitative factors, which form the basis for computing the price refer to section "Our Business" beginning on 73 and the section "Risk Factors" beginning on page x of this Draft Red Herring Prospectus

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QUANTITATIVE FACTORS

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

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

Particulars	Face value per share (Rs. 10 per share)	
	Rupees	Weight
Year ended March 31, 2005	3.11	1
Year ended March 31, 2006	1.41	2
Year ended March 31, 2007	6.24	3
Six months Period ended September 30, 2007 (Annualised)	7.20	4
Weighted average	5.34	

Explanation

a) The adjusted Earning per Share has been computed on the basis of the adjusted profits and losses of the respective years drawn after considering the impact of accounting policy changes and material adjustments, prior period items pertaining to the earlier years and dividend on preference shares.

b) The denominator considered for the purpose of calculating adjusted Earnings per Share is the weighted average number of Equity Shares (diluted) outstanding during the year.

c) On December 24, 2007 the Company issued six Equity Shares for each Equity Share held by shareholders of the Company on that date as a bonus issue. A total of 33,647,286 Equity Shares were issued in the bonus issue, which increased the amount of Equity Shares outstanding from 5,697,881 to 39,255,167.

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

a. For the year ended March 31, 2007, EPS is Rs. 6.24
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	:	180.8
ii)	Lowest	:	5.3
iii)	Industry Composite	:	48.0

Source: Capital Market Volume XXII/22Category – Dec 31, 2007- Jan 13, 2008. Categeory: Construction

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

Particulars	RONW %	Weight
Year ended March 31, 2005	6.58	1
Year ended March 31, 2006	2.89	2
Year ended March 31, 2007	8.43	3
Six months Period ended September 30, 2007 (Annualised)	9.44	4
Weighted Average	7.54	

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

(iv) Net Asset Value per Equity Share

Particulars	NAV (Rs.)
As at March 31, 2007	512.39
After the Issue	[•]
Issue Price	[•]

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.

(v) Comparison with industry peers

	EPS (Rs)	P/E	RONW%	NAV (Rs.)
Ashoka Buildcon Limited[1]	6.24	[•]	8.43	512.39
Peer Group[2]				
Gayatri Projects Limited	23.2	19.2	20.2	141.0
Madhucon Projects Limited	11.2	36.6	9.7	121.4
Noida Toll Bridge Company Limited	0.5	49.6	-	17.8
Roman Tarmat Limited	9.5	25.1	29.1	90.9
Sadbhav Engineering Limited	20.6	43.1	19.4	190.9
Valecha Engineering Limited	11.3	18.4	10.1	138.7

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.

(1) *For the year ended March 31, 2007 – Based on Restated Consolidated Financial Statements.*

(2) *Source: Capital Market Volume XXII/22 Category – Dec 31, 2007 – Jan 13, 2008.Category: Construction*

The BRLMs believe that the Issue Price of Rs. [•] is justified in view of the above qualitative and quantitative parameters, see sections titled "Risk Factors", "Business", "Auditor's Report on Stand-Alone Financial Information" and "Auditor's Report on Consolidated Financial Information" beginning on pages x, 73, 182 and 219 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 TAX BENEFITS

To,
Board of Directors
M/s Ashoka Buildcon Ltd,
Ashoka House,
Nashik.

Dear Sirs,

Re: Tax Benefits available to the Company and the Shareholders on proposed Initial Public Issue of Shares under the existing tax laws

As desired by you, we enclose herewith an 'Annexure' giving the details of the possible Tax Benefit available to **Ashoka Buildcon Limited**, ("the Company") and its Shareholders under the current direct tax laws, in India.

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 benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

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

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

- 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 revenue authorities / courts will concur with the views expressed herein.

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

for M.P Chitale & Co.

Ashutosh Pednekar
Partner

Mumbai, December 21, 2007

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO ASHOKA BUILDCON LTD. ("THE COMPANY") AND ITS SHAREHOLDERS

A. BENEFITS TO THE COMPANY

1. UNDER THE INCOME TAX ACT, 1961 ("THE ACT"):

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

1.1 **Dividends exempt under Section 10(34)**

Under Section 10(34) of the Act, the Company will be eligible for exemption of income by way of dividend from domestic company referred to in Section 115-O of the Act.

1.2 **Income from units of Mutual Funds exempt under Section 10(35)**

The Company will be eligible for exemption of income received from units of mutual funds specified under Section 10(23D) of the Act, income received in respect of units from the Administrator of specified undertaking and income received in respect of units from the specified company in accordance with and subject to the provisions of Section 10(35) of the Act.

1.3 **Computation of capital gains**

1.3.1 Capital assets may be categorised into short term capital assets and long term capital assets based on the period of holding.

Shares in a company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

1.3.2 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index as prescribed from time to time.

1.3.3 As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under Section 10(36) or 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

1.3.4 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented mutual fund where the transaction of sale is chargeable to Securities Transaction tax ("STT") shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

1.3.5 *Exemption of capital gain from income tax*

- Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT. However, such income shall be taken into account in computing the book profit tax payable under Section 115JB.

- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under Section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. This exemption is restricted to amounts not exceeding fifty lakh rupees in case of investments made on or after April 01, 2007 in such long term specified assets. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

1.4 **Other specified deductions**

Subject to fulfillment of conditions, the Company will be eligible, *inter alia,* for the following specified deductions in computing its business income:-

1.4.1 Section 35(1)(i) and (iv) of the Act, in respect of any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the Company.

1.4.2 Section 35(1)(ii) and (iii) of the Act, in respect of any sum paid to a Scientific Research Association which has as its object, the undertaking of scientific research or to any approved university, college or other institution to be used for scientific research or for research in social sciences or Statistical Research to the extent of a sum equal to one and one fourth times the sum so paid.

1.4.3 The Company will be entitled to claim expenditure incurred in respect of voluntary retirement scheme under section 35DDA of the Act in five equal annual installments.

1.4.4 Subject to compliance with certain conditions laid down in Section 32 of the Act, the Company will be entitled to deduction for depreciation:

In respect of tangible assets (being buildings, machinery, plant or furniture) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998) at the rates prescribed under the Income-tax Rules, 1962;

In respect of any new machinery or plant which has been acquired and installed after 31st March 2005 by an assessee engaged in the business of manufacture or production of any article of thing, a further sum of 20% of the actual cost of such machinery or plant;

1.4.5 Subject to compliance with certain conditions laid down in Section `80-IA of the Act, the Company will enjoy 100% tax exemption for any 10 consecutive Assessment Years out of 15/20 years beginning from the year in which undertaking has started operating the infrastructure facility, as the case may be, in respect of profits earned from an undertaking set up for developing

or operating and maintaining or developing, operating and maintaining any notified infrastructure facility.

1.4.6 In case of scheme of amalgamation/demerger taken place before April 1, 20076 the Company can avail 100% tax exemption for the residual period out of 15/20 years, as the case may be, in respect of profits earned from an undertaking or an enterprise engaged in notified infrastructure facility and which amalgamates with the company, subject to compliance with certain conditions laid down in Section 80-IA (12) of The Act. .

1.4.7 Under Section 115JAA (1A) credit shall be allowed of any MAT paid under Section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act. Such MAT credit shall be available for set-off up to 7 years succeeding the year in which the MAT credit initially arose.

1.5 **Benefits of unabsorbed business/long term capital losses and allowances**

1.5.1 Company has unabsorbed losses / allowances under the Act, which can be carried forward for set off against the income under the Act of future years as under:

- As per Section 72 of the Act, Company can carry forward the unabsorbed business losses for a period of eight assessment years immediately succeeding the assessment year in which the loss was first computed.

- As per Section 32 of the Act, Company can carry forward the unabsorbed depreciation allowance of earlier years in the succeeding previous years to be set off against business income of such years.

- As per Section 74 of the Act, Company can carry forward the unabsorbed long term capital losses for a period of eight assessment years immediately succeeding the assessment year in which the loss was first computed to be set off against long term capital gains under the Act of future years.

1.6 **Rebate under section 88E**

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 taxable securities transactions, he shall get rebate of STT 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.

2. UNDER THE WEALTH-TAX ACT, 1957

2.1 The company is liable to pay wealth tax under the Wealth Tax Act, 1957 @1% for assets held in excess of Rs 15 lakhs for every assessment years.

2.2 Subject to the conditions specified under section 2(ea) the following are not considered as assets for the purpose of computation of Net Wealth.

- Any residential house allotted to a whole time employee/officer/director having gross annual salary of less than Rs.5 lakhs

- Any unused urban land held by the company as stock in trade for a period of 10 years from the date of its acquisition.

- Any unused urban land held by the company for industrial purposes for a period of 2 years from the date of its acquisition.

B. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

1. UNDER THE INCOME TAX ACT, 1961 ("THE ACT"):

1.1 **Dividends exempt under Section 10(34)**

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

1.2 **Computation of capital gains**

1.2.1 Capital assets may be categorised into short term capital assets and long term capital assets based on the period of holding.
Shares in a company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

1.2.2 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition /improvement by a cost inflation index as prescribed from time to time.

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

1.2.4 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

1.2.5 *Exemption of capital gain from income tax*

- Under Section 10(38) of the Act, Long term Capital Gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under Section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. This exemption is restricted to amounts not exceeding fifty lakh rupees in case of investments made on or after April 01, 2007 in such long term specified assets. However, if the said bonds are transferred or converted into money within a period of three years from the date of

their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

- Under Section 54F 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 to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax subject to other conditions, if the net sales consideration from such shares are used for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

1.3 **Rebate under section 88E**

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 taxable securities transactions, he shall get rebate of STT 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.

2. UNDER THE WEALTH-TAX ACT, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth Tax Act,1957, hence no Wealth Tax will be payable on the market value of shares of the Company held by the shareholder of the Company.

C. BENEFITS AVAILABLE TO NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN FIIS AND FOREIGN VENTURE CAPITAL INVESTORS)

1. UNDER THE INCOME TAX ACT, 1961 ("THE ACT"):

1.1 **Dividends exempt under Section 10(34)**

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

1.2 **Computation of capital gains**

1.2.1 Capital assets may be categorised into short term capital assets and long term capital assets based on the period of holding.
Shares in a company, listed securities or units of UTI or units of Mutual Fund specified under Section 10(23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

1.2.2 Section 48 of the Act contains special provisions in relation to computation of capital gains on transfer of shares of an Indian company by non-residents. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.

According to the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess).

1.2.3 In case investment is made in Indian rupees, the long-term capital gain is to be computed after indexing the cost.
According to the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under Section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

1.2.4 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 10 percent (plus applicable surcharge and education cess).

1.2.5 *Options available under the Act where shares have been subscribed to in convertible foreign exchange –*
Option of taxation under Chapter XII-A of the Act:

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

- According to the provisions of Section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of shares in an Indian company not exempt under Section 10(38), will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.

- According to the provisions of Section 115F of the Act and subject to the conditions specified therein, capital gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset. If part of such net consideration is invested within the prescribed period of six months in any specified asset the exemption will be allowed on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

- Further, if the specified asset in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

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

- Under Section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from any

foreign exchange asset being asset of the nature referred to in sub clause (ii), (iii), (iv) and (v) of Section 115C(f) for that year and subsequent assessment years until such assets are converted into money.

- As per the provisions 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 for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

1.2.6 *Exemption of capital gain from income tax*

- Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under Section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Provided that the investment made on or after April 01, 2007 in the long term specified assets by the company during any financial year does not exceed fifty lakh rupees.

1.3 **Rebate under Section 88E**

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 taxable securities transactions, he shall get rebate of STT 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.

1.4 Tax Treaty benefits

An investor has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

2. UNDER THE WEALTH-TAX ACT, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth Tax Act, 1957, hence no Wealth Tax will be payable on the market value of shares of the Company held by the shareholder of the Company.

D. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1. UNDER THE INCOME TAX ACT, 1961 ("THE ACT"):

1.1 **Dividends exempt under section 10(34)**

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

1.2 **Taxability of capital gains**

1.2.1 Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

1.2.2 The income by way of short term capital gains or long term capital gains [in cases not covered under Section 10(38) of the Act] realized by FIIs on sale of shares of the company would be taxed at the following rates as per Section 115 AD of the Act-

- Short term capital gains, other than those referred to under Section 111A of the Act shall be taxed @ 30% (plus applicable surcharge & education cess).
- Short term capital gains, referred to under Section 111A of the Act shall be taxed @ 10% (plus applicable surcharge and education cess)
- Long Term capital gains @ 10% (plus applicable surcharge and education cess) (without cost indexation) It may be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not applicable.

1.2.3 According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under Section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.
However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

1.3 **Rebate under Section 88E**
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 taxable securities transactions, he shall get rebate of STT 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.

E. VENTURE CAPITAL COMPANIES / FUNDS

In terms of Section 10(23FB) of the Act, all Venture capital companies/funds registered with Securities and Exchange of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including profit on sale of shares of the Company.

Notes:
1. *All the above benefits are as per the current tax law as amended by the Finance Act, 2007.*
2. *The stated benefits will be available only to the sole / first named holder in case the shares are held by joint holders.*
3. *In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.*

INDUSTRY

Unless stated otherwise, all information in this section has been sourced from CRISIL Infrastructure Report - July 2007 and Study on Roads sector in Madhya Pradesh and Maharashtra – November 2007, CRISL Research ("Roads Report").
Disclaimer of CRISL in relation to the Roads Report: "CRISL Limited has used due care and caution in preparing this report. Information has been obtained by CRISL from sources which it considers reliable. However, CRISL does not guarantee accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. No part of this report may be published/reproduced in any form without CRISL's prior written approval. CRILS is not liable for investment decisions which may be based on the views expressed in this report. CRISL Research operates independently of, and does not have access to information obtained by CRISL's Rating Division, which may in its regular operations, obtain information of a confidential nature that is not available to CRISL Research."

Overview of the Indian Economy

India is the world's largest democracy in terms of population (1.1 billion people) at July 2007 with a GDP of approximately US$4,164 billion in 2006 (estimates). This makes it the fourth largest economy in the world in terms of GDP (purchasing power parity) 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 Central Statistical Organisation (CSO)). As a result, in the year ended March 31, 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 four fiscal years and the estimate of the key indicators of the Indian economy for fiscal 2008.

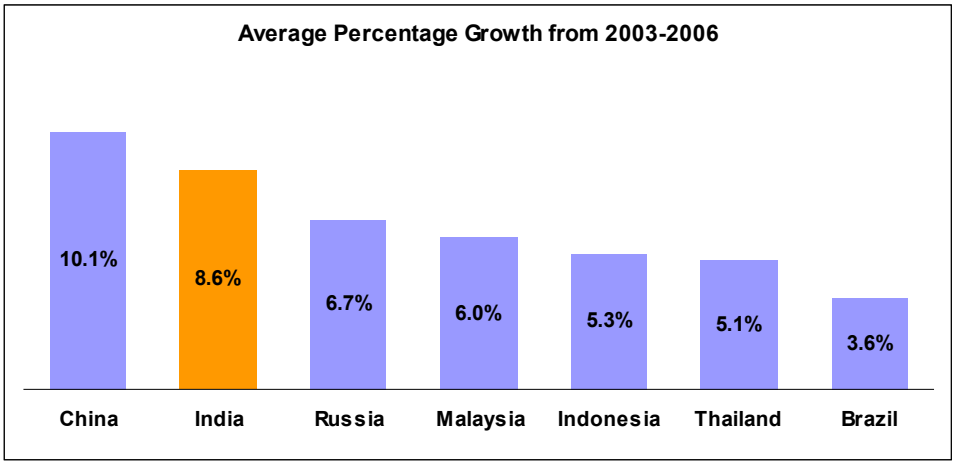
(Annual percentage change, except for foreign exchange reserves)

	As at and for the year ended March 31,				
	2004	**2005**	**2006**	**2007**	**2008(E)**
Real GDP growth [(1)]	8.5	7.5	9.0	9.2	8.5[@]
Index of Industrial Production [(2)]	7.0	8.4	8.2	11.5	9.2[*]
Wholesale Price Index [(2)]	5.5	6.5	4.4	5.4	3.7[*]
Foreign Exchange Reserves (in US$ bn)	107.5	135.6	145.1	191.9	276.2[#]

(1) At 1999-2000 prices
(2) Index of industrial production; (base 1993-94=100)
@ RBI Estimates
*April to November 2007
As at January 4, 2008
Source: Economic Survey 2006-2007, RBI , Ministry of Statistics and Programme Implementation

As shown in the above table, in recent years, India has experienced rapid economic growth. India's GDP grew approximately 3.8%, 8.5%, 7.5% and 9.0% and 9.2% in fiscal 2003, 2004, 2005, 2006, 2007 respectively. The Reserve Bank of India in its Annual Policy Statement for 2007-2008 forecast GDP growth at around 8.50% for fiscal 2008 and has given an inflation rate forecast of 5.00% for fiscal 2008.

In a global context, India has witnessed a growth in GDP from 2003-2006 which is second only to China. The following table shows the GDP growth of selected countries during that period.



Indian Infrastructure Industry

Infrastructure is considered a key component of GDP growth. It is believed that a country with an improved infrastructure can generate additional GDP growth, whilst 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. India currently spends approximately 4.6% of its GDP on infrastructure compared to countries such as China, Thailand and Vietnam that are currently investing over 7% of their GDP annually on infrastructure. 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 the five-year period fiscal 2008-2012 to meet the Government's GDP growth target of 9%. This translates into an investment of around US$310 billion over the five-year period fiscal 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 the five-year period fiscal 2008 to fiscal 2012.

Sector	**Amount (US$ in billion)**
Power	74.8
Roads	58.7
Urban Infrastructure	51.1
Railways	42.5
Telecom	36.3
Oil & Gas	60.0
Ports	10.0
Airports	5.3
Total	**338.7**

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 has historically refrained from significant infrastructure development. 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 systems. According to Planning Commission vice-chairman, Mr. Montek Singh Ahluwalia, India would need US$75-80 billion worth of private investments in infrastructure projects over the next

five years to meet infrastructure-funding requirements. 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 per year or US$100 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 between the current and required levels of private investments in infrastructure. Over the 15-year period from 1990 to 2005, total private investments stood at around $51 billion or US$3.4 billion per year, of which US$30 billion has come in the five-year period fiscal 2002-2006.

Roads Sector

We operate principally in the roads infrastructure sector. We build, operate and maintain roads and bridges.

India has one of the largest road networks in the world, aggregating to 3.34 million km, 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, 128,000 km of State Highways, 470,000 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.

The number of vehicles has been growing at an average pace of 10.10% per annum over the period from fiscal 2000 to fiscal 2004. In fiscal 1951, 13.8% of freight and 15.4% of passengers were transported by road. By the end of fiscal 2005, an estimated 65% of freight and 86.7% of passengers were transported by road. The rapid expansion and strengthening of the road network, therefore, is imperative to provide for both present and future traffic and for improved accessibility to the hinterland. In addition, road transport needs to be regulated for better energy efficiency, lesser pollution and enhanced road safety. To cater for this, the Central Government is mandated to develop National Highways and the responsibility for the development of other categories of roads vests with the States/Union Territories.

National Highway Development Program (NHDP)

The Government has taken initiatives to improve and strengthen the road network by implementing National Highway Development Program. The NHDP is the largest highway project ever undertaken in India and is being implemented by the National Highway Authority of India ("NHAI"). It was started in 1998 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:

- NHDP Phase I & II envisage four/six laning of about 14,234 km of National Highways at an estimated cost of Rs. 650.00 billion at 2004 prices. These two phases comprise Golden Quadrilateral ("GQ"), North-South and East-West ("NSEW") corridors, port connectivity and other projects. The GQ consisting of 5,846 km length connects the four major cities of Delhi, Mumbai, Chennai and Kolkata. The NSEW corridors, comprising a length of 7,300 km, connect Srinagar in the North to Kanyakumari in the South, including a spur from Salem to Kochi and Silchar in the East to Porbandar in the West, respectively. The NHDP also includes the Port Connectivity Project, which comprises a length of 380 km for improvement of roads connecting 12 major ports in India and other projects involving a length of 945 km.

- The Government of India has approved upgrading 4,035 km under NHDP Phase IIIA at an estimated cost of Rs. 222.07 billion and is in the process of taking advance action in the form of preparation of the Detailed Project Reports ("DPR") for the balance length of 7,078 km under NHDP Phase IIIB.

- The Government of India has approved the six laning of 6,500 km of National Highways comprising 5,700 km of the GQ and the balance of 800 km of other sections of National Highways under NHDP Phase V at a cost of Rs. 412.10 billion.

- The Government of India has also approved the construction of 1,000 km of expressways with full access control on new alignments at a cost of Rs. 166.80 billion under NHDP Phase VI.

The table below sets forth the status of the NHDP as at August 31, 2007:

	GQ	NSEW & Phase - I & II	NHDP Phase III - A	NHDP Phase - V	**NHDP Total**
Total Length (km)	5,846	7,300+	4,000	6,500	**23,646**
Already 4-laned (km)	5,601**	1,418	126	-	**7,145**
Under Implementation (km)	245	4,903	1,866	148	**7,162**
Number of Contracts under implementation	25	148+	31	2	**205**
Balance to be awarded (km)	-	821^	2,008^	6,352	**9,181**

** Out of 5,601 km, 5,351 km includes bituminous concrete layer and 250 km up to dense bitumen macadam ("DBM")
^ The difference in length is because of change in length after award of works.
+ Out of 7,300 km, 981 km length is in Phase-I and remaining length is in Phase-II. Against 981 km, 874 km length was 4-laned and 516 km against Phase-II including up to DBM level. Actual length at present excluding 442 km common length with GQ is 7,274 km. However, this may again change after preparation of DPRs. The original approved length of corridors is 7,300 km.
Source: NHAI Website

The targets for completion of the various components of the NHDP are as follows:

NHDP Component	**Target for Completion**
Completion of GQ	March 2007 *
Completion of NS-EW Corridors, Port Connectivity & other projects under NHDP-Phase-I&II	December 2009
Completion of NHDP-Phase-IIIA	December 2009
Completion of NHDP-Phase-V	December 2012
Completion of NHDP-Phase-VI	December 2015

* Substantial completion except for stretches where contracts have been terminated.

(*Source: Plan Document for 11th Five Year Plan*)

The estimated cost of the various components of the NHDP is as follows:

Name of Project	Estimated Cost (Rs. in Billion)
Completion of GQ and EW-NS corridors	524.34
4-laning of 11,113 km under NHDP Phase-III	724.54
2-laning with paved shoulders of 20,000 km of National Highways under NHDP Phase-IV	278.00
6-laning of selected stretches of National Highways under NHDP Phase-V	412.10
Development of 1,000 km of expressways under NHDP Phase-VI	166.80
Construction of ring roads, flyovers and bypasses on selected stretches under NHDP Phase-VII.	166.80
Total	2,272.58

(*Source: Plan Document for 11th Five Year Plan*)

All the above mentioned projects will be financed through various sources of funds including cess, loan assistance from the World Bank and Asian Development Bank, borrowings by NHAI, estimated surplus amount available from the users' fee and private sector investment. Various sources of funding to finance these projects have been finalised and the financing plan implementation by the year 2015 has been approved. The requirement of funds during the 11th Five Year Plan (fiscal 2008-2012) for implementation of NHDP has been established. The total amount required during this period is about Rs. 1,735.01 billion. The projected availability of funds from various sources during the 11th Five Year Plan is set forth below:

Funding Source	Amount (Rs. in Billion)
Cess	365.89
External Assistance	44.54
Borrowings by NHAI	416.15
Surplus from the user fee	31.08
Share of private sector	877.35
Total	**1,735.01**

(*Source: Plan Document for 11th Five Year Plan*)

National Highways – It has been estimated that Rs. 1,217.58 billion would be required for the Department of Road Transport & Highways during the 11th Five Year Plan. Further, it has been estimated that Rs. 31.08 billion would be available for implementation of the NHDP from the surplus of the users' fees collected by the NHAI during the 11th Five Year Plan. The share of private sector investment during the 11th Five Year Plan is estimated to be Rs. 877.35 billion.

State Roads – The proposed programme envisages a financial outlay of Rs. 10.00 billion for the 11th Five Year Plan with the possible element of private finance estimated at Rs. 3.20 billion..

(Source: Plan Document for 11th Five Year Plan)

Public Private Partnership (PPPs)

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. The table below sets forth the proposed breakdown of contract models for the NHDP set forth in the *Report of the Core Group on Financing of the National Highway Development Program*, finalised February 6, 2006.

NHDP Phase	**Item**	**EPC**	**BOT (Toll)**	**BOT (Annuity)**	**Total**
NHDP-I (Balance Work)	Length (in km) Cost (in Rs. billions)	1,711 81.45	20 5.81	7 0.85	1,738 88.11
NHDP-II (Balance Work)	Length (in km) Cost (in Rs. billions)	4,569 294.93	1,237 80.65	930** 60.64	6,736 436.22
NHDP-III	Length (in km) Cost (in Rs. billions)	- -	10,000 651.97	- -	10,000 651.97
NHDP-IV	Length (in km) Cost (in Rs. billions)	- -	5,000 69.50	15,000** 208.50	20,000 278.00
NHDP-V	Length (in km) Cost (in Rs. billions)	- -	6,500 412.10	- -	6,500 412.10
NHDP-VI	Length (in km) Cost (in Rs. billions)	- -	1,000 166.80	- -	1,000 166.80
NHDP-VII	Length (in km) Cost (in Rs. billions)	* 25.94	* 96.38	* 44.48**	* 166.80
Total	**Length (in km)** **Cost (in Rs. billions)**	**6,280** **402.32**	**23,757** **1,483.21**	**15,937** **314.47**	**45,974***** **2,200.00**

* Length to be covered under NHDP-VII was not finalized when the report was published.
** To be determined based on budgetary resources and the tolling policy for two-lane highways.
*** Does not include the length to be covered under NHDP-VII.

- 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 utilized 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.

State Road Networks

Unless otherwise stated, all information in this subsection discussing the state roads sector is taken from the CRISIL Report on State Road Projects November 2007.

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 (SRDC's), which have helped in raising money and effective implementation of road construction. Among the SRDCs, the Maharashtra State Road Development Corporation (MSRDC) has been in the news recently as it has single-handedly implemented the 90 km Mumbai-Pune Expressway, including raising funds for the project.

There has been progress in the development of the road sector across states since the mid-1990s with certain states, such as Maharashtra, Gujarat, Madhya Pradesh, Andhra Pradesh and Karnataka taking the lead. 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 funds from the 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. The mechanism of the allocation is as follows:

50 per cent of the cess amount collected on diesel and the entire cess amount collected on petrol is pooled

Of this amount, 30 per cent is distributed to the states for the construction and maintenance of state roads.

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 (ADB), 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 Fund.

Privatisation – The experiment of BOT projects has succeeded in several places. Well developed legislation would enable private sector participation and prevent legal objections to the imposition of tolls for the use of the facilities that are developed.

Roads Sector in Madhya Pradesh

Madhya Pradesh (MP) has the third largest network of National Highways in the country after Uttar Pradesh and Rajasthan. The total length of roads in Madhya Pradesh (MP) was over 72,000 km in 2006.

The Public Works Department (PWD) of Madhya Pradesh is entrusted with the task of developing and maintaining the roads in the state, while the Madhya Pradesh Rajya Setu Nirman Nigam (MPRSNN) is responsible for the construction of bridges. Madhya Pradesh Road Development Corporation (MPRDC) is the agency carrying out all the developmental work in association with the private sector.

Bond-BOT Projects

The State Government devised Bond-BOT Projects in 2000 in order to encourage private sector participation and reduce pressure on State Government finances as the State does not have adequate funds to finance such mega projects. Hence the State Government decided to limit the total subsidy amount to Rs 5 billion (raised through bonds and HUDCO loans) and made subsidy the sole bidding parameter.

The Madhya Pradesh Adhosanrachana Vinidhan Nidhi Board Adhiniyam (MPAVNB Act) 2000 has been enacted to raise and deploy earmarked funds for infrastructure projects. The MPAVNB has already issued bonds of Rs 5 billion.

Funding

Apart from regular plan outlays and private capital, additional resources have been mobilised through NH funds, Central Road Fund, NABARD loans for rural roads, mandi cess, infrastructure bonds, external assistance and HUDCO loans.

In the State Budget 2007-08, budgeted provision for roads is Rs 17 billion, which is 47 per cent higher than that of the previous year. The State Budget envisages constructing 27 state highways and 4 main roads involving a total outlay Rs 4.5 billion. Further, a sum of Rs 1 billion has been allocated for up-grading district roads. For maintenance of roads, Rs 4.8 billion have been allocated in the budget.

GoMP also plans to set up a Road Maintenance Fund (RMF) for the development and maintenance of roads in Madhya Pradesh. The State RMF will be created by pooling the toll revenue and assistance obtained from CRF, mandi cess and road tax, and also by the levy of additional cess on the fuel and taxes on vehicles. The available funds would be offered as 'equity participation' to BOT operators, who would subsequently pool their own resources and bid for a pre-determined concession period. Private sector partnership would thus not only increase the available pool of funds, but would also enhance maintenance/reconstruction activities by the application of modern techniques.

The State Government has obtained a technical assistance loan from the World Bank for carrying out a feasibility study and detailed engineering on around 3,280 km of roads. ADB has also sanctioned a US$180 million loan to GoMP for the rehabilitation of 1,750 km of state roads. These projects are being

implemented in three phases. Most of Phase I is complete, Phase II is under implementation and Detailed Project Reports (DPRs) of Phase III are in the process of being prepared.

Projects

The GoMP has identified projects worth Rs 28 billion in the road sector. Of these projects, 16 road projects aggregating 2,140 km would be under the BOT scheme. These roads will connect important tourist destinations, such as Mahakaleshwar, Kundalpur, Omkareshwar, Pachmarhi, Kanha, Sanchi, Rahatgarh, Chitrakoot, Maihar, Bandhavgarh, Panna Amarkantak, and Jabalpur.

These projects have been developed under the concept of 'Bond-BOT projects', wherein part of the Rs 5 billion infrastructure bonds raised by GoMP would be used for providing grants or subsidies to the BOT projects. Two of the projects (Ujjain-Susner-Jhalawad of 139 km, at Rs 660 million, and Indore-Edalabad of 203 km, at Rs 1.23 billion) have achieved financial closure (with funding from IDFC (Rs 376.3 million) and SBI (Rs 650 million).

ADB-Phase III- Upcoming Projects

Package	S No.	Name of Roads	Length in km	Estimated cost (Rs million)
I	1	Shivpuri – Sheopur – Rajasthan Border (SH-6)	142	1,272
II	2	Gairathganj – Silwani – Gadarwada (SH-44)	64	624
	3	NH-12 Junction – Silwani (SH-15	35	215
	4	Bareli – Pipariya road (SH-19)	39	259
III	5	Mandleshwar – Kasrawad (SH-1) Kasrawad – Khargaon road (SH-31)	45	420
	6	Banher to Maharashtra Border (SH-31)	65	618
IV	7	Badah – Dhamnod road, Khalghat – Manawar road (SH-38 and khalghat – kasrawad road	122	1,150
V	8	Indore – Depalpur road	33	322
	9	Birgodha – Ingoriya road	30	219
VI	10	Shyampur – Goras road (SH-23)	65	661
	11	Morena – Porsa road (SH-2)	50	325
VII	12	Khandwa – Khargaon road (SH-26)	75	904
VIII	13	Hoshangabad - Nasarullaganj - Khategaon (SH-22)	87	787
IX	14	Nagor-Jasso-Saleha-Powai-Mohindra-Semaria-Amanganj	105	855
X	15	Amanganj - Malhera (SH-10)	76	689
XI	16	Seoni - Chiraidongri (SH-11A)	93	873
XII	17	Bhalaghat - Nainpur (SH-11)	81	680
XIII	18	Tala - Shahdol (CG Border) (SH-10)	70	489
	19	Katni-Barhi-Tala (SH-10)	70	523
XIV	20	Lakhnadon-Mandla-Dindori (SH- 40 & 11)	150	1,332
XV	21	Bela-Gonvindgerh-Churhat (SH-52)	57	532
	22	Rewa – Sirmor – Dabhora road	76	534
		Total	**1,629**	**14,284**

Source: www.mprdc.nic.in

Projects to Be Tendered Under BOT Scheme at State Level

Sr. No.	Name of Section	Chainage (kms)	Length (kms)	Cost (Rs million)
1	Gwalior-Shivpuri	122-229	107	5,261
2	Shivpuri-Guna	229-320	91	4,628
3	Guna-Biaora	332-426	94	4,346
4	Biaora-Dewas	426-567	141	8,294
	Total		**433**	**22,529**
5	Bhopal Bypass		52	2,429

Sr. No.	Name of Section	Chainage (kms)	Length (kms)	Cost (Rs million)
6	Indore-Ujjain		51	2,446
7	Sagar-Damoh-Jabalpur		176	900
	Total		**279**	**5,775**
	Grand Total		**712**	**28,304**

Source: MPPWD

List of NHDP Projects for Award in Madhya Pradesh as of October 2007

Stretch	NH No	Funded by	Length (km)
Phase III			
Khalghat - MP/Maharashtra Border	3	BOT	85
Bhopal – Bareli	12	BOT	297
Bareli – Rajmarg crossing	12	BOT	n.a
Rajmarg Crossing – Jabalpur	12	BOT	n.a
Bhopal-Sanchi	86Ex	BOT	40
Indore-Jhabua - Gujrat/MP	59	BOT	169
Jhansi-Khajuraho	75	BOT	100
Obaidullaganj – Bheembetka	69	BOT	13

Ex*:* Expressway

Source: National Highways Authority of India and CRISIL Research

Roads sector in Maharashtra

Composition of roads

The total road length of Maharashtra is around 281,525 kms, of which nearly 78 per cent was surfaced as of March 31, 2007. The Maharashtra State Road Development Corporation Ltd (MSRDC) set up in 1996 is a wholly owned limited company of the government of Maharashtra (GoM). It has been constituted to accelerate the development of transport infrastructure facilities in the state.

In order to enable the development of road projects through private sector participation, the GoM has amended the Bombay Motor Vehicle Tax Act, 1958 to enable toll collection by private players. Other incentives have been put in place, such as a 40 per cent support of the project cost by the government (where such support is required) and exemption from sales tax on machinery to be bought for the project.

Funding

GoM has funded road sector projects through various resources, such as

- Assistance from the World Bank, NABARD and HUDCO
- Private sector investment in BOT projects
- Provisions from plan and non-plan allocations in the state budgets

The State is also the highest recipient of cess revenues from the CRF. The GoM received Rs 6.6 billion from CRF as of January 31, 2007.

MSRDC implements projects with the assistance of GoM and market borrowings. For instance, the Mumbai-Pune Expressway (costing Rs 16.3 billion) was funded predominantly through debt.

BOT Projects

For the effective implementation of the State highways and district roads development programme, 169 projects amounting to Rs 212 billion have been taken up by the GoM for implementation through private participation in the State Budget of 2007-08. Out of these, 90 projects amounting to Rs 38 billion have

already been completed, 26 projects costing Rs 36 billion are in progress, and the remaining 53 projects amounting to Rs 137 billion are at different stages of planning.

In the above programme, 1,367 km road improvement, 97 bridges, 38 flyovers, 33 Railway Over Bridges (ROBs), and 95 km six lane expressway have been completed. Projects of 1,773 km road improvement, 20 major bridges/flyovers and improvement to 700 km Mumbai-Nagpur road are in progress and for about 648 km 4- laning works are approved. The GoM has also decided to provide viability gap funding where necessary. Recently, the government has approved viability gap funding of Rs 3.5 billion for projects costing Rs 8.6 billion.

Approved Projects Involving Private Sector in Maharashtra as at September 2007

Sr. No.	Project Name	Length (km)	Project Cost (Rs million)
1	Aurangabad - Paithan Four Lane	46	1,450
2	Shiroli (Kolhapur) to Sangali Four Lane	40	1,450
3	Baramati-Phaltan-Lonand-Shirval Four Lane	78	2,057
4	Two lane work to be done near Sawarner city in Nagpur District	11	566
5	Varora - Chandrapur - Ballarpur Four Lane	46	2,255
6	Four lane of Wani Brahmwalan in Yewatmal District	9	231
7	Akola Washim - Hingoli - Waranga Phata Four Lane	218	4,366
8	Four kilometer Flyover construction on the Akola - Akot road to Purna river near Gandhigram Village	4	110
9	Funicular Trolley Systems to be situated in Saptashrungi Ghad Tal - Kalwan Dist Nashik.	0	274
10	Set of 9 projects	405 km + 1 pool	12,750

Source: Maharashtra PWD

Works in Progress on BOT basis (Four Laning Road Projects)

Sr. No.	Name of Project	Length in km.	Project Cost (Rs million)
1	Four laning of Ahemadnagar Kopargaon Road State Highway No.10 (Part-I)	42	1,104
2	Four laning of Ahemadnagar Kopargaon Road State Highway No.10 (Part-11)	55	998
3	Four laning of Aurangabad- Wadala Road State Highway No.60	62	1,902
4	our laning of Nanded- Ardhapur- Waranga Fata Major State Highway No.3	15	175
5	Four laning of Aurangabad- Jalna Road Major State Highway No.6 including Beed-Zalta bypass	64	1,901
6	Four laning of Latur- Ausa Road and Two laning of Ausa-Lamjana Road	30	540
7	Four laning of Ahemadnagar- Wadala Road State Highway No.60	42	700
8	Four laning of Ahemadnagar- Shirur Road State Highway No.60	56	1,576
	Total	**366**	**8,896**

Source: Maharashtra PWD

Works in Progress on BOT basis (Two Laning Road Projects)

Sr. No.	Name of Project	Length in km.	Project Cost (Rs.million)
1	Construction of Mumbra bypass on Mumbai-Pune National Highway No.4	5	587
2	Construction of Barshi bypass on State Highway No. 77	16	180
3	Improvement to Pune- Paund Road State Highway No. 60	40	320
4	Improvement to Bhusaval- Yaval- Amoda-Faijur State Highway and reworking of bridge	38	238
5	Improvement to Sangamner- Talegaon-Kopargaon Road (Major District road-6)	33	116
6	Construction of Railway Over bridge on Malegoan-Chalisgaon Road	0	75
7	Two laning of Malkapur- Buldana- Chikhali Road (State Highways No.176)	67	425
8	Two laning of Ankaleshwar- Bahranpur Road (Section Yaval-Galangi)	50	148
	Total	**249**	**2,088**

Source: Maharashtra PWD

Works at Tender Stage on BOT basis (Four Laning Road Projects)

Sr. No.	Name of Project	Length in km.	Project Cost (Rs.million)
1	Four laning of Chinchoti- Kaman-Paygaon-Anjur Phata Road Major State Highway No.4	27	960
2	Six laning of Thane- Bhiwandi- Vadpa Road Special State Highway including construction of two major bridges	7	1,350
3	Four laning of Aurangabad- Nashik (Section Vaijapur-Nashik) Road State Highway No. 30 (with V.G.F. of Rs. 630 million)	101	1,575
4	Four laning of Jalna- Deoulgaon Raja-Berala Phata Road (with V.G.F. of Rs. 280 million)	72	959
5	Four laning of Berala phata- Chikhali-Khamgaon Road (with V.G.F. of Rs. 270 million)	67	929
6	Four laning of Manjarsumbha- Kali-Lokhandi Sawargaon Latur Road (with V.G.F. of Rs. 880 million)	125	2,200
7	Four laning of Yedshi- Latur- Nanded Road (with V.G.F. of Rs. 2,300 million)	202	5,110
8	Four laning of Khamgaon bypass on National Highway No. 6	10	543
9	Four laning of Jalna- Watur phata Road (with V.G.F. of Rs. 384.9 million)	54	850
10	Four laning of Watur phata- Jintur- Aundha-Basmat Road (with V.G.F. of Rs. 810 million)	117	2,050
	Total	**782**	**16,526**

Source: Maharashtra PWD

List of Proposed Works on BOT basis (Four Laning Road Projects)

Sr. No.	Name of Project	Length in km.	Project Cost (Rs. million)
1	Four laning of Kolhapur- Nagpur (Shiroli-Sangali)Road Major State Highway No. 3)	40	1,450
2	Four laning of Tembhurni- Kurduwadi-Barshi-Yedshi Road State Highway No. 77	120	2,550
3	Four laning of Baramati- Phaltan- Lonand-Shirwal Road	78	2,190
4	Four laning of Shinnar- Shirdi Road	50	1,500
5	Four laning of Aurangabad- Paithan Road State Highway No.30	45	1,450
6	Four laning of Aurangabad- Lasur- Vaijapur Road	72	2,000
7	Four laning of Akola- Patur- Malegaon-Washim-Kanhergoan Road State Highway No. 204	125	2,480
8	Four laning of Kanhergaon-1-lingoli-Waranga Phata Road State Highway No. 204	81	1,870
9	Four laning of Saoner bypass Road	11	900
10	Four laning of Chandrapur- Balharpur Road	46	3,420
	Total	**668**	**19,810**

Source: Maharashtra PWD

List of NHDP Projects Balance for Award in Maharashtra

Stretch	NH No	Funded by	Length (kms)
NSEW			**95**
Four Laning from MP/Maharashtra	7	BOT	95
Phase III			**549**
Nagpur - Wainganga Bridge Maharashtra/Chattisgarh Border	6	BOT	60
MP/Maharashtra Border – Dhule	3	BOT	97
Pimpalgaon - Nasik – Gonde	3	BOT	60
Kalamboli-Mumbra	4	BOT	20
Panvel-Indapur	17	BOT	84
Pune-Sholapur	9	BOT	170
Talegaon-Amravati	6	BOT	58
BOT: Build Operate & Transfer			

Source: National Highway Authority of India and 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 industry witnessed real GDP growth of 10.7% in the first quarter of fiscal 2008 compared with the first quarter of fiscal 2007 (source: CSO). Until recently, foreign direct investment in real estate and construction had been highly regulated. But since last year, 100% foreign investment has been allowed in this sector and acreage restrictions for integrated townships have also been relaxed. In addition, venture funds can now invest in real estate. These changes, together with the repealing of land acquisition and rent control laws 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 five-year period fiscal 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.

Economic linkages

The construction industry is strongly linked to the overall growth and development of the economy. In 2006, the industry accounted for about 14.7% of the GDP, and around 52.3% of the Gross Fixed Capital Formation.

Industry characteristics

Worldwide, the construction industry 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 three sectors:

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 over the five-year period fiscal 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 five-year period fiscal 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**	**26,473**	**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.

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) 2002-06	2007-11	Implicit annual growth (%)
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

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 infrastructure construction investments of Rs. 6,129 billion over the five-year period fiscal 2007-2011, compared with Rs. 3,213 billion in the five-year period fiscal 2002-2006.

Road projects drive construction investments in the infrastructure sector. Road programmes such as the NHDP and Pradhan Mantri Gram Sadak Yojana (PMGSY), together with state level projects, will provide a fillip to the construction industry. Other sectors such as irrigation (especially in Andhra Pradesh), water supply and sanitation (WSS) - driven by Jawaharlal Nehru National Urban Renewal Mission (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 five-year period fiscal 2002-2006 and the forecast for the five-year period fiscal 2007-2011:

	Infrastructure Construction Investments (in 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.

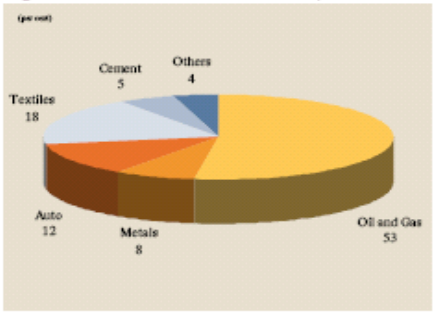
Investments in key industrial sectors are expected to increase to Rs. 6,954 billion over the five-year period fiscal 2007-2011, compared with Rs. 2,274 billion over the five-year period fiscal 2002-2006. Over the

five-year period fiscal 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, a construction demand of Rs, 1,826 billion (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.

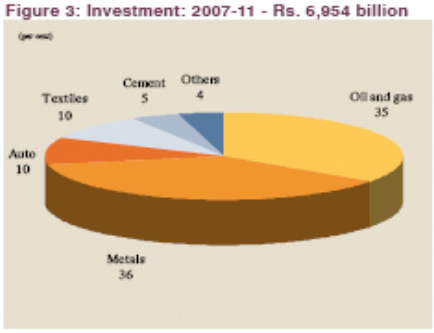
Industrial investments are likely to be driven mainly by metals and oil and gas investments. Together, these sectors are expected to contribute around 72%% of the total expected investments. The following pie charts reflect the change in composition of industrial investments over the five-year period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

Types of Contracts used in the Infrastructure and Construction Industries

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. Two important types of contracts - BOT and BOOT - are explained below, as well as certain other contracts generally used in the Indian construction industry.

Build, Operate and Transfer (BOT)

Under this type of PPP contract, 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.

Build, Own, Operate and Transfer (BOOT)

BOOT contracts are similar to BOT contracts, except that in this case the contractor owns the underlying asset, instead of only owning a concession to operate the asset. For example, in the case of hydroelectric power projects, the contractor would own the asset during the underlying concession period and the asset would be transferred to the Government at the end of that period pursuant to the terms of the concession agreement.

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.

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.

Operations and Maintenance (O&M) Contracts

Typically an operations and maintenance contract is issued for operating and maintaining facilities. This could be in sectors such as water, highways, buildings and power. The contract specifies routine maintenance activities to be undertaken at a predetermined frequency as well as break-down maintenance during the contract period. While the contractor is paid for the routine maintenance based on the quoted rates which are largely a function of manpower, consumables and maintenance equipment to be deployed at the site, any breakdown maintenance is paid for on a cost-plus basis.

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.

Price Preference

In tenders for the projects funded by multilateral agencies such as the World Bank and the Asian Development Bank, where there is international competitive bidding, generally there is a clause giving a price preference of 7.5% for domestic Indian bidders. In this case, if the bid by the domestic Indian contractor is 7.5% higher than the lowest international bid, then the employer has to award the project to the domestic bidder. This would be subject to certain conditions specific to the project. In case the domestic bidder is in a joint venture with an international bidder, then the domestic bidder would need to own 51% or more in the joint venture in order to qualify for the preferential treatment.

Purchase Preference

In government tenders for projects normally less than Rs. 1.00 billion, there is a purchase preference clause wherein a tender submitted by a Public Sector Undertaking (PSU) will entail 10% price preference over other bidders. In this case, if the bid by the PSU is 10% higher than the lowest bidder, the employer reserves the right to award the project to the PSU if they can match the price of the lowest bidder.

Business Models Used in the Infrastructure and Construction Industries

Although many projects are undertaken by one company, in the case of large projects, companies have adopted two critical approaches in order to obtain and execute the contract: joint ventures and sub-

contracting. While companies have entered into joint ventures (JVs) in order to secure the projects, project execution is normally undertaken largely through subcontracting.

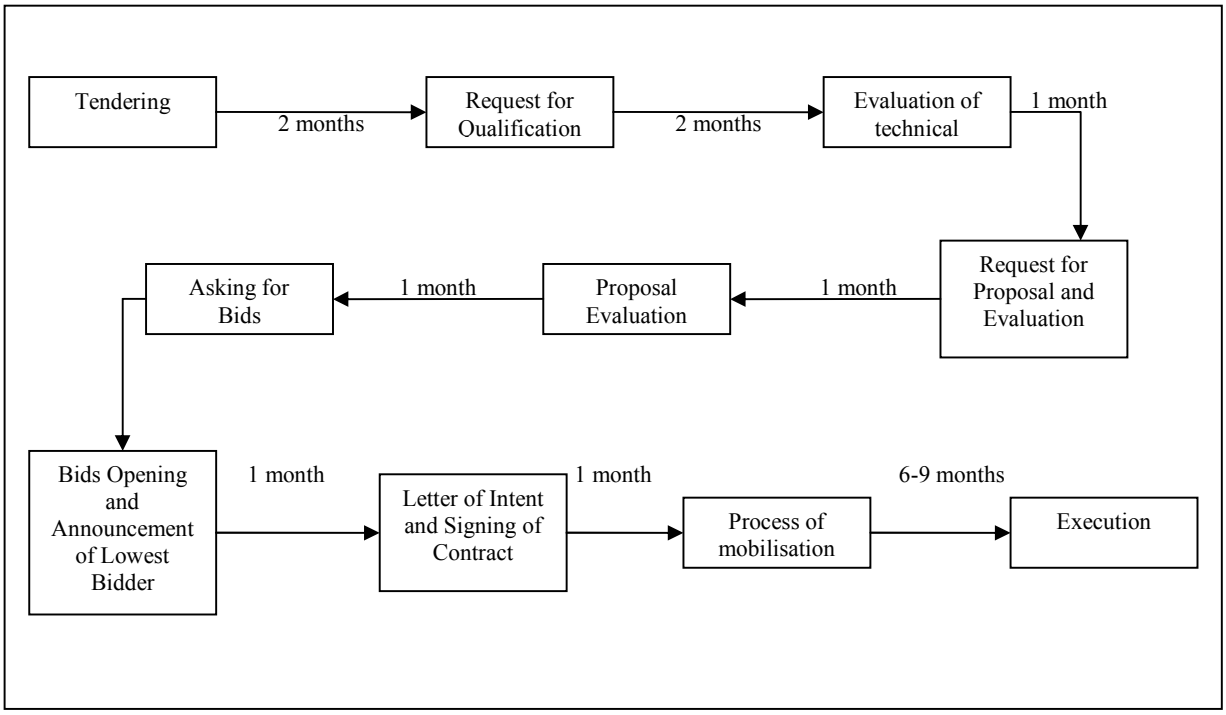
Joint Ventures (JVs)

JVs are usually project-specific and are contractual obligations among two or more either domestic or foreign companies. 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 smaller companies to join hands with bigger companies, and together on a joint venture basis, bid for the projects. The bigger companies benefit from the joint venture as, to some extent, their equity and project completion risk is shared by the other smaller members of the joint venture. The bigger company is likely to get higher margins as compared to the smaller company as it 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. 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.

Process of Contract Disbursements in the Infrastructure and Construction Industries



BUSINESS

Overview

We build and operate roads and bridges in India on a build, operate and transfer ("BOT") basis. We believe we currently operate one of the highest number of toll-based BOT projects in India. In addition to BOT projects, we also (i) engineer and design, procure the raw materials and equipment for and construct roads, bridges, commercial buildings, industrial buildings and institutional buildings for third parties, (ii) manufacture and sell ready-mix concrete ("RMC") and bitumen and (iii) collect tolls on roads and bridges owned and constructed by third parties. Our business is organised into four divisions:

- the BOT division;
- the engineering, procurement and construction ("EPC") division;
- the RMC and bitumen division; and
- the toll collection contract division.

We can trace our origins back to 1976. Prior to fiscal 1997, we were engaged solely in the engineering and construction of residential, commercial, industrial and institutional buildings. In fiscal 1997, having acquired EPC skills, we also turned our attention to bidding for contracts for toll roads and toll bridges on a BOT basis. We were awarded our first BOT project, the Dhule bypass in Maharashtra, in fiscal 1997 and completed the construction of the road in the same fiscal year. In fiscal 2000 we began manufacturing RMC solely for use by our EPC division. In fiscal 2002 we began to manufacture RMC to sell to third parties as well as for use by our EPC division. In fiscal 2005 we began processing bitumen to a higher grade at our facility in Pune for use in road projects. Having developed systems and procedures for collecting tolls on our BOT projects, including developing our own proprietary computerised toll revenue auditing system, we tendered for and were awarded our first the contract to collect the tolls on a road owned and constructed by a third party.

Our head office is in Nashik, Maharashtra and our operations reach across the states of Maharashtra, Madhya Pradesh, Chhattisgarh, Rajasthan, Gujarat, Goa and Tamil Nadu, the National Capital Territory of Delhi and the union territories of Dadra and Nagar Haveli and Daman and Diu.

BOT Division. We currently operate or have an interest in 21 roads and bridges totalling approximately 2,061 kilometres of lanes in Maharashtra, Madhya Pradesh and Chhattisgarh, the concessions for which awarded on a BOT basis. In order to meet specific eligibility requirements for certain larger BOT projects, including requirements relating to particular types of experience and financial resources, we have entered into project-specific joint ventures or special purpose vehicles with other companies. Out of the 21 BOT projects mentioned above, 16 are in operation and five are under construction. Of the 16

BOT projects in operation:

- four are operated by the Company;
- 10 are operated by the subsidiaries of the Company/joint ventures controlled by the Company;
- one is operated by an associate company in which the Company has a 50% interest; and
- one is operated by a joint venture in which the Company has a 5% interest.

Of the five BOT projects under construction:

- one is being developed by the Company;
- three are being developed by subsidiaries of the Company; and

- one is being developed through an associate of the Company.

In addition, we have built, operated and successfully transferred two BOT projects at the end of the concession periods.

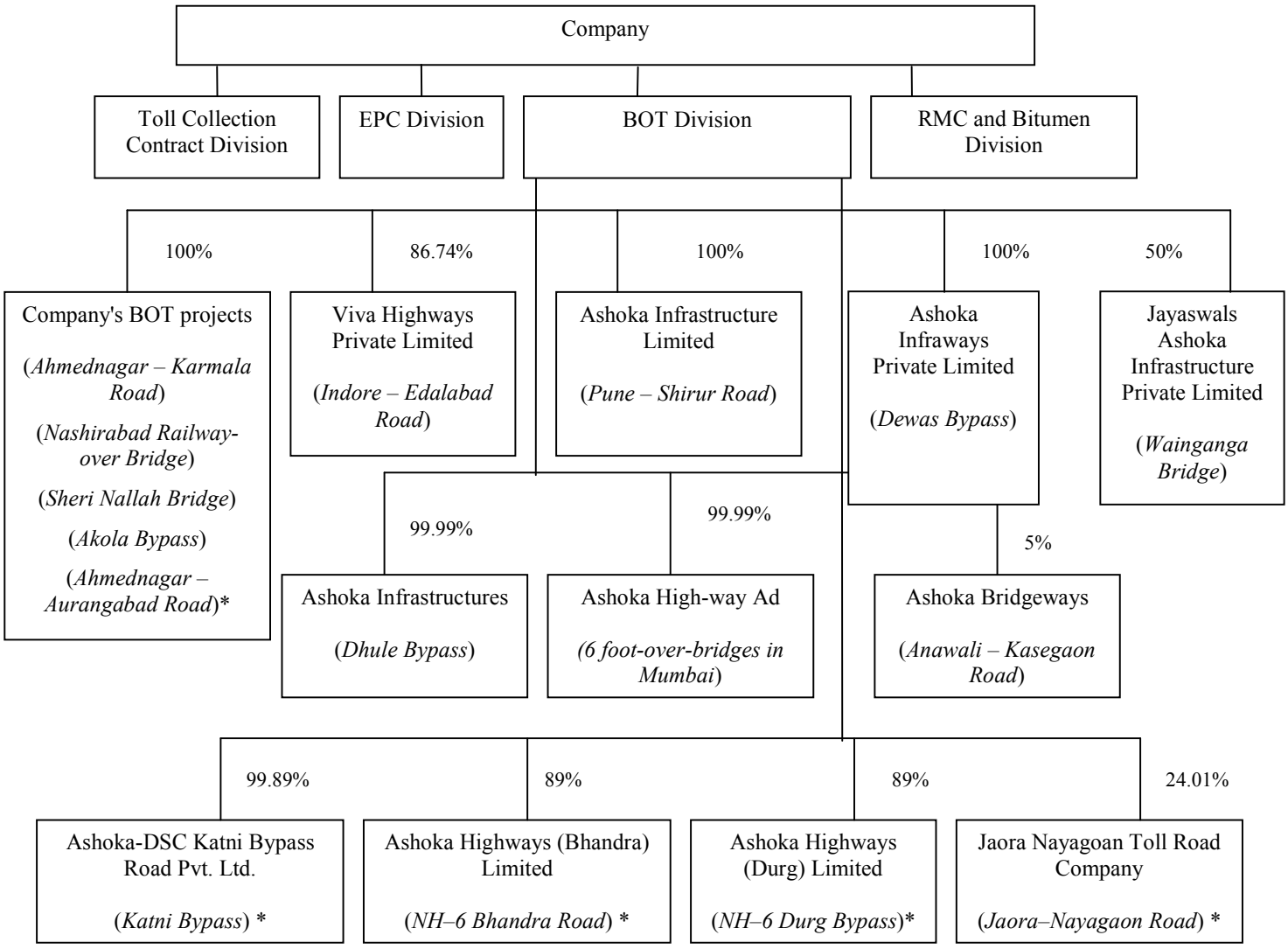
EPC Division. Our EPC division primarily engineers and designs, procures the raw material and equipment for and constructs roads and bridges for our BOT division and third parties. Our EPC division also maintains and repairs existing roads for our BOT division. In addition, we also construct commercial, industrial and institutional buildings for third parties. We own a large fleet of construction equipment. As at September 30, 2007, the Company, its subsidiaries and its predecessor entities had constructed 42 roads and bridges and built over 5.4 million square feet of commercial, industrial and institutional projects. As at November 30, 2007, our Order Book, which comprises the unfinished and uncertified portion of projects that we have been awarded, was Rs. 14,988.52 million.

We received an ISO 9002 in 1998 and an ISO 9001:2000 in 2001 for Certificate for Quality Assurance. According to ISC, we are the first Indian infrastructure construction company to receive the ISC certification for Quality (ISO 9001:2000), Environment (ISO 14001:2004) and Occupational Health and Safety Management System (OHSAS 18001:1999) for Integrated System Management in relation to the design, development, construction of roads, bridges, industrial buildings, residential and commercial complexes, production and sale of ready-mix concrete and operation and maintenance of road infrastructure projects. We have also received numerous construction awards, including the Nasik Industries and Manufacturers' Association 'Excellence Award 2001' - First Prize in 'Large Scale Industries' and the Indian Institute of Bridge Engineers 'Most Outstanding Bridge - National Award 2001'.

RMC and Bitumen Division. Our RMC and bitumen division sells ready-mix concrete and supports the EPC division by ensuring that it has an adequate and timely supply of high-quality RMC. As at September 30, 2007, we had 10 RMC plants with a total production capacity of 540 cubic metres per hour and 58 concrete transit trucks and 13 concrete pumps. This division also sells and processes bitumen to a higher grade for use in road projects and supports our EPC division by supplying it with bitumen. We have one plant in Pune for the processing of bitumen with a capacity of 60 metric tonnes per day.

Toll Collection Contract Division. We set up our toll collection contract division to leverage our experience of collecting tolls on our BOT projects and our proprietary computerised toll revenue auditing system. To date, we have entered into four agreements to collect tolls on roads/bridges owned and constructed by third parties, although our last contract expired in February 2007.

Set forth below is our organisational chart, including the name of each concession operator, the Company's beneficial interest in the concession operator and the name of the BOT project in parentheses and italics



* Construction not complete

As at September 30, 2007, our work force consisted of 2,078 full-time employees, including 1,142 technical staff.

For the six months ended September 30, 2007, we had a consolidated total income of Rs. 1,715.05 million and a net profit attributable to shareholders of Rs.141.27 million. For fiscal 2007, we had a consolidated total income of Rs. 4,189.69 million and a consolidated net profit attributable to shareholders of Rs 242.24 million.

Our Strengths

We believe the following are our key strengths.

Well established player in toll-based BOT projects in India

We were an early mover in India in the BOT project sector. We were awarded our first BOT project, the Dhule bypass in Maharashtra, in fiscal 1997 and completed the construction of the road in the same fiscal year. The Dhule Bypass was amongst the first toll-based BOT projects in Maharashtra. We believe we operate one of the highest number of toll-based BOT projects in India. We currently have a total of 16 BOT projects in operation comprising approximately 908 kilometres of lanes. We have also been awarded the concessions for five additional BOT projects, comprising 1,174 kilometres of lanes, the construction of which has not been completed. Our early-mover status and continued presence in the toll-based BOT project sector provides us with a platform to further develop our BOT presence and to win EPC contracts for road and bridge construction projects.

Integrated business model

We are able to undertake all activities related to a BOT project in-house - from tendering for the project through to the collection of tolls. This helps to ensure the timely completion of projects, reduces our reliance on subcontractors and decreases our costs. We prepare all tendering documents and have a dedicated in-house traffic study team. Our EPC division, with its experienced team of engineers and skilled workman and its fleet of construction equipment, constructs and maintains the projects. Our RMC division manufactures and supplies the concrete. We have a toll collection team and we use our own proprietary software for the auditing of toll revenue. Our integrated structure enables us to bid for a BOT project with confidence in our ability to complete and operate the project on a profitable basis.

In-house traffic study expertise

Our ability to tender appropriately for BOT projects depends heavily on the assessment of the future traffic patterns on the proposed road or bridge and the amount of tolls to be collected. Over the course of our 11 years in toll-based BOT projects, we have developed an in-house traffic study team, which has the dual responsibility of conducting pre-bidding traffic surveys and monitoring toll collections. Our in-house traffic study team has an in-depth knowledge of traffic patterns not only in Maharashtra, Madhya Pradesh and Chhattisgarh, but also in Tamil Nadu, Gujarat, Rajasthan, Uttar Pradesh and Punjab. We believe our in-house traffic forecasting capacity and expertise strengthens our ability to tender effectively for BOT projects and toll collection contracts.

We have developed our own proprietary toll collection audit system

Tolls are paid in cash. To minimise the chance of cash pilferages, we utilise our own toll collection audit system, which includes cameras installed at toll booths and our own proprietary software. The system enables us to monitor our toll collection on a real-time basis.

We are a multi-award winning contractor with the ability to construct projects to a high standard

We have received numerous construction awards, including, the Nasik Industries and Manufacturers' Association 'Excellence Award 2001' - First Prize in 'Large Scale Industries' and the Indian Institute of Bridge Engineers 'Most Outstanding Bridge - National Award 2001'. We received an ISO 9002 in 1998 and an ISO 9001:2000 in 2001 for Certificate for Quality Assurance. According to ISC, we are the first Indian infrastructure construction company to receive the ISC certification for Quality (ISO 9001:2000),

Environment (ISO 14001:2004) and Occupational Health and Safety Management System (OHSAS 18001:1999) for Integrated System Management in relation to the design, development, construction of roads, bridges, industrial buildings, residential and commercial complexes, production and sale of ready-mix concrete, and the operation and maintenance of road infrastructure projects. We believe our ability to execute projects to a high standard helps us to win contracts for projects and reduces the costs of maintaining our BOT projects.

Long standing history of timely execution of projects

Most of our projects have been executed on time or prior to the scheduled completion date. We constructed a 90-metre long bridge on the Mahad-Pandharpur state highway in 38 days compared with the scheduled construction time of 12 months. The construction of a 100-metre long bridge called the Pargaon Bridge, a BOT project, was completed in 65 days compared with the scheduled construction time of 18 months. Both of these construction feats are recorded in Limca Book of Records**.** If we complete a project before its scheduled completion date, our revenue from the project is usually increased. Our EPC contracts generally provide for bonus payments if we complete construction of a project prior to the scheduled completion date. For example, we received Rs. 19.00 million for the early completion of the construction of the Phalodi to Puchpadra road, an EPC contract, which was completed 95 days prior to the scheduled completion date. If we complete the construction of a road or bridge the subject of a BOT agreement before the scheduled completion date, we generally get the benefit of collecting tolls on that project earlier than anticipated, which increases the total period for collecting tolls, thereby increasing our revenue from the project. There have been no instances where our performance guarantees have been invoked by our clients.

Healthy Order Book position

As at September 30, 2007, our Order Book totalled Rs. 15,200.23 million. In our industry, the Order Book is considered an indicator of potential future performance since it represents a significant portion of our potential EPC revenue stream. Our strategy is not simply to add contracts to the Order Book but instead is focussed on capturing quality contracts with high margins.

Proven track record of being able to leverage BOT projects on completion of the construction of the project, thereby increasing the cash available to further expand our business

We have been able to leverage off certain of our completed BOT projects to expand our business. On completion of the construction of 18 out of 23 of our BOT projects, we have leveraged the debt taken for the construction of 14 projects and increased the debt outstanding on the project to as much as 150% of the cost of the project. This provides us with increased cash, which enables us to bid for more BOT projects.

Experienced management and a well-trained employee base

Mr. Ashok Katariya, our Chairman and one of our Promoters, has over 32 years of experience in the construction industry and is a first generation entrepreneur. Mr. Satish D. Parakh, our Managing Director and one of our Promoters, has over 27 years in the construction industry. Mr. Sunil B. Raisoni, a director of the Company, has over 25 years experience in the construction industry. Messrs. Parakh and Raisoni both joined the Company as employees and they have been working with Mr. Katariya for more than 25 years.

We believe we have a well-trained employee base, which enables us to construct various kinds of projects with different technical requirements. As at September 30, 2007, we employed 2,078 full-time employees, 1,142 of which are technical staff.

Our Strategy

Focus on executing larger projects in the Indian road infrastructure sector

The Construction Industry Development Council has forecast that Rs. 2,540 billion will be spent on constructing roads in India during the Eleventh Five Year Plan (2007-2012). In addition to the construction of new roads, we believe there will be opportunities to win maintenance contracts and toll collection contracts on roads that have already been built. As a result, we plan to focus on bidding for road BOT projects, road construction projects and toll collection contracts. With our long track record in the road

sector and our integrated business model, we believe we are well positioned to take advantage of this growth and these opportunities.

We have been progressively executing larger projects. For example, our first BOT project was the Dhule Bypass, the Project Cost for which was Rs. 58.17 million. Except as noted otherwise, all project costs for BOT projects stated in this Draft Red Herring Prospectus comprise the EPC costs, the interest during construction on the debt financing for the project and other expenses incidental to the project during the construction period (the "Project Cost"). In February 2004, we completed construction of the Indore-Edalabad road, the Project Cost for which was Rs. 1,607.89 million. In 2006, we were awarded the concession for the NH-6 Bhandara road in Maharashtra, the estimated Project Cost of which is Rs. 5,350.00 million. In 2006, we were awarded the concession for the NH-6 Durg road in Chhattisgarh, the estimated EPC cost for which as per the bid document is Rs. 4,640.00 million (this estimate does not include the interest during construction on the debt financing for the project and other expenses incidental to the project during the construction period). One of the Company's associates was awarded the concession for the SH – 31 Jaora Nayagaon Road in Madhya Pradesh, the estimated EPC cost for which as per the bid document is Rs. 4,257.10 million (this estimate does not include the interest during construction on the debt financing for the project and other expenses incidental to the project during the construction period).

As the road infrastructure sector grows, we believe that it will be increasingly characterised by larger projects. As a result, we intend to bid on larger BOT projects. The primary benefit of this strategy is that larger projects typically generate higher profit margins than smaller projects. The fixed costs associated with large projects, such as employee expenses, system automation expenses and administration expenses, typically represent a lower proportion of the total costs of the project than those incurred in smaller projects and the overhead costs involved in initiating the project and supplying materials and machinery also typically represent a lower percentage of the total costs when compared with smaller projects.

Increase our EPC division's revenue from third parties

We plan to focus on growing our EPC division's revenue from third parties. We believe this will provide us with a more diverse income stream and allow us to take advantage of the demand for contracting-only projects. It will also help to ensure that our EPC division operates at its optimal capacity.

Increase sales of ready-mix concrete to third parties

We believe that ready-mix concrete provides superior strength and quality to the finished product than concrete mixed at the project site and as such will be increasingly used in India. Because of the investment required to produce ready-mix concrete, many smaller construction companies rely on purchasing ready-mix concrete rather than making it themselves. In fiscal 2002, we began to leverage our existing ready-mix concrete production capabilities by selling ready-mix concrete to third parties. As at September 30, 2007, we had 10 ready-mix plants. If we are successful in expanding our BOT project business and EPC business, we will need to increase our ready-mix concrete production capabilities. As we increase our production capacity, our plan is to also increase sales of ready-mix concrete to third parties.

Enter into new contracts for collecting tolls on roads and bridges owned and constructed by third parties

We have entered into four contracts to collect tolls on roads and bridges owned by third parties. The last of these contracts expired in fiscal 2007. We plan to leverage our existing in-house traffic forecasting and toll collection expertise to bid for more toll collection contracts.

Continue to leverage BOT projects once construction has been completed

In order to increase the cash available to us to expand our business, we plan to continue to leverage our BOT projects once the construction phase of the project is complete. On completion of the construction of 10 out of 16 of our BOT projects, we have refinanced the debt taken for the construction of the project and increased the debt outstanding on the project to as much as 150% of the cost of the project.

Continue to focus on executing projects in a timely manner

We plan to continue to focus on executing projects before the scheduled completion date and constructing them to a high standard.

Our Services and Products

We build and operate roads and bridges in India on a build, operate and transfer basis and currently operate 16 toll-based BOT projects in India. In addition to our BOT projects, we also engineer and design, procure the raw materials and equipment for and construct roads, bridges, commercial buildings, industrial buildings and institutional buildings for third parties, and manufacture and sell ready-mix concrete. Our business is organised into four divisions:

- the BOT division;
- the EPC division;
- the RMC division; and
- the toll collection contract division.

BOT Division

Typically, BOT contracts require the grantee of the concession to construct a road or bridge and operate and maintain the asset over a pre-defined period (known as the concession period) at its own expense. In return, it is granted the right to collect tolls from vehicles using the road or bridge during the concession period. At the end of the concession period, the obligation to maintain the road or bridge and the right to collect tolls reverts to the government or the government entity that granted the concession.

In order to meet specific eligibility requirements for certain larger BOT projects, including requirements relating to particular types of experience and financial resources, we have entered into project-specific joint ventures or special purpose vehicles with other companies.

Our BOT division earns revenue from the tolls we collect on our BOT projects, except for six foot bridges in Mumbai where we earn revenue from the sale of advertising space on the foot bridge. Our BOT division had revenue of on a consolidated basis of Rs. 349.65 million, Rs. 378.72 million, Rs. 976.31 million and Rs. 546.47 million in fiscal 2005, fiscal 2006, fiscal 2007 and the six months ended September 30, 2007, respectively.

We currently operate or have an interest in 21 roads and bridges totalling approximately 2,083 kilometres of lanes in Maharashtra, Madhya Pradesh and Chhattisgarh, the concessions for which were awarded on a BOT basis. Out of the 21 BOT projects mentioned above, 16 are under operation and five are under construction. Of the 16 BOT projects under operation:

- four are operated by the Company;
- 10 are operated by the subsidiaries of the Company/joint ventures controlled by the Company;
- one is operated by an associate company in which the Company has a 50% interest; and
- one is operated by a joint venture in which the Company has a 5% interest.

The 16 BOT projects in operation comprise approximately 908 kilometres of lanes. Summary details of these 16 BOT projects are set forth in the table below.

Name of Project	Lane Kms	Name of Concession Operator (Company's Beneficial Interest)	Project Cost in Rs. Million	Date Toll Collection Began	Concession Period Expires
Indore – Edalabad Road	406	Viva Highways Private Limited	1,607.89	Stage 1 – November	August 2017

Name of Project	Lane Kms	Name of Concession Operator (Company's Beneficial Interest)	Project Cost in Rs. Million	Date Toll Collection Began	Concession Period Expires
		(86.74%)		2002 Stage 2 – August 2003 Stage 3 – February 2004	
Pune – Shirur Road	216	Ashoka Infrastructure Limited (100%)	1,599.04	July 2005	July 2015
Dewas Bypass	40	Ashoka Infraways Private Limited (100%)	611.12	May 2004	August 2015
Ahmednagar – Karmala Road	160	The Company (100%)	503.51	August 1999	November 2015
Wainganga Bridge	N/A	Jayaswals Ashoka Infrastructure Limited (50%)	408.69	March 2001	August 2017
Nashirabad Railway-Over Bridge	8	The Company (100%)	146.97	July 2000	October 2009
Sheri Nallah Bridge	N/A	The Company (100%)	122.85	October 2000	June 2015
Dhule Bypass	12	Ashoka Infrastructures (99.99%)	58.17	March 1998	June 2009
Akola Bypass	12	The Company (100%)	74.25	July 2006	March 2008
Foot-Over-Bridge in Mumbai (Godrej)	N/A	Ashoka High-Way Ad (99.99%)	6.61	April 2002	August 2016
Foot-Over-Bridge in Mumbai (Priya-darshani)	N/A	Ashoka High-Way Ad (99.99%)	7.18	January 2003	August 2012
Foot-Over-Bridge in Mumbai (Pravin Hotel)	N/A	Ashoka High-Way Ad (99.99%)	7.57	May 2003	August 2017
Foot-Over-Bridge in	N/A	Ashoka High-Way Ad	6.60	July 2003	August 2018

Name of Project	Lane Kms	Name of Concession Operator (Company's Beneficial Interest)	Project Cost in Rs. Million	Date Toll Collection Began	Concession Period Expires
Mumbai (Tagore Nagar)		(99.99%)			
Foot-Over-Bridge in Mumbai (Louis Wadi)	N/A	Ashoka High-Way Ad (99.99%)	4.25	February 2003	August 2013
Foot-Over-Bridge in Mumbai (Mental Hospital)	N/A	Ashoka High-Way Ad (99.99%)	4.79	July 2002	August 2013
Anawali – Kasegaon Road	22	Ashoka Bridgeways (5%)	73.53	March 2007	May 2017

Further details on these BOT projects are set forth in this section below under the heading "BOT Projects in Operation" beginning on page 82 of the Draft Red Herring Prospectus

We have been awarded the concessions for five BOT projects, comprising 1,174 kilometres of lanes, the construction of which has not been completed. Of the five BOT projects which are yet to be constructed:

- one is being developed by the Company;
- three are being developed by subsidiaries of the Company; and
- one is being developed through an associate of the Company.

Summary details of these five BOT projects are set forth in the table below.

Name of Project	Lane Kms	Name of Concession Operator (Company's Beneficial Interest)	Estimated Project Cost in Rs. million	Estimate of Construction Completed as at November 30, 2007	Scheduled Completion Date	Concession Period Expires
Katni Bypass	35	Ashoka-DSC Katni Bypass Road Private Limited (99.89%)	620.00	78%	January 2008	12 years from the date toll collections begin
Ahmednagar – Aurangabad Road	168	The Company (100%)	960.00	51%	April 2008	August 2016
NH-6 Bhandara Road	320	Ashoka Highways (Bhandara) Limited	5,350.00	0%	March 2010	March 2028

		(89%)				
NH-6 Durg Bypass	332	Ashoka Highways (Durg) Limited (89%)	4,640.00[(1)]	0%	30 months from the date of the execution of the concession agreement	20 years from the appointment date
Jaora – Nayagaon Road	319	Jaora Nayagaon Toll Road Company Private Limited (24.01%)	4,257.10[(1)]	0%	February 2010	25 years from the date of financial closure

(1) This is the estimated EPC cost as per the bid document and does not include the interest during construction on the debt financing for the project and other expenses incidental to the project during the construction period. Therefore, the actual Project Cost will be higher.

Further details on these BOT projects are set forth in this section below under the heading "BOT Projects – Construction not Complete".

Construction

Our EPC division is responsible for the construction of all of our BOT projects. For those BOT projects undertaken by the Company's subsidiaries, associates or joint ventures, the Company enters into a fixed price contract for constructing the project for a specific scope of work. The negotiations on the price of the EPC contract are conducted at arms length.

Operation and Maintenance

Each of the concession agreements for our toll road and toll bridge BOT projects requires us to maintain the road or bridge, as applicable, to certain standards during the concession period. The grantors of our concessions have used, and will likely to continue to use, independent engineers to carry out periodic tests to assess the quality of the road or bridge and its related maintenance. If we are determined to have failed to carry out our maintenance obligations, the other contracting party may, following the issuance of notices and expiry of cure periods, terminate the relevant concession.

Toll Collection

We are responsible for collecting the tolls on all of our toll-based BOT projects. All of the tolls for our BOT projects are collected in cash. To minimise the chance of toll pilferage by our staff, we have developed our own toll collection audit system. Our toll collection audit system includes cameras installed at toll booths and our own proprietary software. The system enables us to monitor our toll collection on a real-time basis. We first developed this system in fiscal 1998 and we are constantly endeavouring to improve it as we gain more experience in the collection of tolls.

Our in-house traffic study team has the responsibility of monitoring toll collections.

BOT Projects in Operation

Set forth below is a summary of each of our 16 BOT projects currently in operation.

1. Indore-Edalabad Road

Description

The road connects Indore, Madhya Pradesh to Icchapur, Madhya Pradesh and is approximately 406 lane km (two lanes) long. The construction of the road was completed in three stages of approximately 140 lane km

each (two lanes). We began collecting tolls on the first stage of the road in November 2002. We began collecting tolls on the second stage of the road in August 2003. We began collecting tolls on the third and final stage of the road in February 2004.

Concession Operator

Viva Highways Private Limited is the operator of the concession. The Company's beneficial interest in Viva Highways Private Limited is 86.74%; it owns 74.00% directly and 12.74% indirectly through its 49% interest in Viva Infrastructure Private Limited ("VIPL"), the legal owner of the other 26% of the shares in Viva Highways Private Limited. For more information on Viva Highways Private Limited and VIPL, please see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by Madhya Pradesh Road Development Corporation Limited ("MPRDC"). Under the terms of the concession agreement, the project was commissioned in three phases. We began collecting tolls on phase one of the road in November 2002, on phase two of the road in August 2003 and on phase three of the in February 2004. The concession period expires in August 2017. Viva Highways Private Limited received a non-refundable grant of Rs. 450 million from MPRDC for the construction of the project.

The toll rates are set forth in the concession agreement with a clause to increase the rates by 7% every year with effect from April 1 of each year.

Project Cost

The Project Cost was Rs. 1,607.89 million.

Debt Financing

Viva Highways Private Limited originally borrowed a total of Rs. 555.50 million to partially finance the project. In March 2005, after the construction was completed, Viva Highways Private Limited leveraged the project by borrowing a total of Rs. 1,500 million. These loans are all repayable by March 31, 2015. As at September 30, 2007, the total amount outstanding on these loans was Rs. 1,294.93 million.

2. Pune-Shirur Road

Description

The project involved the widening and strengthening of the Pune to Shirur section of Maharashtra State Highway 60, which connects Pune to Ahmednagar and is 216 lane km (four lanes) long. We began collecting tolls on the road in July 2005.

Concession Operator

Ashoka Infrastructure Limited is the operator of the concession. The Company owns 100% of the shares in Ashoka Infrastructure Limited. For more information on Ashoka Infrastructure Limited, please see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by the Public Works Department (World Bank Division), Ahmednagar of the State Government of Maharashtra. Under the terms of the concession agreement, construction of the project was to be completed by August 2005. The concession period expires in July 2015.

The initial toll rates are set forth in the concession agreement with a clause to increase the rates every three years with effect from July 1, 2004 to the toll rates already set forth in the concession agreement.

Project Cost

The Project Cost was Rs. 1,599.04 million.

Debt Financing

Ashoka Infrastructure Limited borrowed Rs. 1,060 million to partially finance the project. The loan is repayable by January 2011. As at September 30, 2007, the amount of the loan outstanding was Rs. 856.95 million.

3. Dewas Bypass

Description

The project involved the construction of a 39.6 lane km (two lanes) long bypass concrete road around the city of Dewas to assist traffic moving between Bhopal, Ujjain and Indore and other parts of Madhya Pradesh and passing through Dewas city. We began collecting tolls on the bypass in May 2004.

Concession Operator

Ashoka Infraways Private Limited is the operator of the concession. The Company owns 100% of the shares in Ashoka Infraways Private Limited. For more information on Ashoka Infraways Private Limited, please see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by the Public Works Department, Dewas, of the State Government of Madhya Pradesh. Under the terms of the concession agreement, the construction of the project was to be completed by July 2004. As the construction of the project was completed in May 2004, the concession operator collected tolls on the project earlier than it would have had construction of the project been completed on the scheduled completion date. The concession period expires in August 2015.

The toll rates are set forth in the concession agreement with a clause to increase the rates by 25% every three years with effect from April 1, 2006.

Project Cost

The Project Cost was Rs. 611.12 million.

Debt Financing

The Company borrowed Rs. 360.00 million to partially finance the project. The loan is repayable by November 2010. As at September 30, 2007, the amount of the loan outstanding was Rs. 123.94 million.

4. Ahmednagar - Karmala Road

Description

The road connects Ahmednagar, Maharashtra to Karmala, Maharashtra and is 160 lane km (two lanes) long. The construction of the road was in four phases. We began collecting tolls on the road in August 1999 and all the fourth phases of the road were completed in January 2004.

Concession Operator

The Company is the operator of the concession.

Key Terms of the Concession

The concession was granted by the Public Works Department (World Bank Division), Ahmednagar of the State Government of Maharashtra. Under the terms of the concession agreement, the construction of the first phases was to be completed in August 1999 and the last IV phase of the project was commissioned by August 2001. The concession period expires in November 2015.

The initial toll rates are set forth in the concession agreement with a clause to increase the rates every three years from February 2005 to the rates already set forth in the concession agreement.

Project Cost

The Project Cost was Rs. 503.51 million.

Debt Financing

The Company originally borrowed Rs. 185.0 million from IDBI Bank to partially finance the project. During the construction of the last phase of the project, the loan was repaid by the Company by borrowing Rs. 380.0 million from IDFC. The Company further leveraged the project by borrowing an additional Rs. 450.0 million. The current rate of interest on these loans are 10.02% and 10.31% respectively. The loans are repayable by December, 2011 and July 2014 respectively. As of September 30, 2007, the Company has availed an amount of Rs. 664.66 million.

5. Wainganga Bridge

Description

The project involved the construction of a bridge and its approaches across the Wainganga river in Maharashtra and is 26 lane km (two lanes) long. We began collecting tolls on the bridge in March 2001.

Concession Operator

Jayaswals Ashoka Infrastructure Private Limited, an associate of the Company, is the operator of the concession. The Company owns 50% of the shares in Jayaswals Ashoka Infrastructure Private Limited. The other 50% of the shares in Jayaswals Ashoka Infrastructure Private Limited are owned by Abhijit Infrastructure Ltd. (a group company of Jayaswals Holdings Private Limited). For more information on Jayaswals Ashoka Infrastructure Private Limited, please see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by Ministry of Road Transport and Highways ("MORT&H"), New Delhi. Under the terms of the concession agreement, the project was to be commissioned before the end of May 2001. The construction of the project was completed in March 2001, which meant that the concession operator collected tolls on the project two months early than it would have had construction of the project been completed on the scheduled completion date. The concession period expires in August 2017.

The toll rates are set forth in the concession agreement with a clause to revise the rates every year with effect from July 1 as per the change in Indian Wholesale Price Index in each fiscal year.

Project Cost

The Project Cost was Rs. 408.69 million.

Debt Financing

Jayaswals Ashoka Infrastructure Private Limited originally borrowed a total of Rs. 265 million to partially finance the project. After the construction of the project was completed, Jayaswals Ashoka Infrastructure Private Limited leveraged the project by borrowing Rs. 695 million and repaying the original loan. The new loan is repayable by March 2016. As at September 30, 2007, the amount outstanding on the loan was Rs. 516.91 million.

6. Nashirabad Railway-Over Bridge

Description

The project comprised the construction of a railway-over bridge and 8.0 lane km (two lanes) of roads near the town of Nashirabad, Maharashtra. We began collecting tolls on the bridge in July 2000.

Concession Operator

The Company operates the concession.

Key Terms of the Concession

The concession was granted by MORT&H, New Delhi. Under the terms of the concession agreement, the project was to be commissioned by the end of November 2000. As the construction of the project was completed in July 2000, we collected tolls on the project four months earlier than we would have had we finished construction on the scheduled completion date. The concession period expires in October 2009.

The initial toll rates are set forth in the concession agreement with a clause to increase the rates every five years with effect from November 2002 to the toll rates already set forth in the concession agreement.

Project Cost

The Project Cost was Rs. 146.97 million.

Debt Financing

The Company originally borrowed Rs. 70 million to partially finance the project. After the construction of the project was completed, the Company leveraged the project by borrowing Rs 132.50 million. That loan was repaid in March 2004 through a new loan of Rs. 185 million. The current loan is repayable by March 2009. The amount outstanding on the loan as at September 30, 2007 was Rs. 62.39 million.

7. Sheri Nallah Bridge

Description

The project involved the construction of a major bridge over the River Krishna near the village of Sheri in the state of Maharashtra on the Sangli by-pass road. We began collecting tolls on the bridge in October 2000.

Concession Operator

The Company operates the concession.

Key Terms of the Concession

The concession was granted by the Public Works Department, Sangli of the State Government of Maharashtra. Under the terms of the concession agreement, the construction of the project was to be completed by March 2001. The project was commissioned on November 2000, which meant we collected tolls on the project four months early than we would have had we finished construction on the scheduled completion date. As per the concession agreement, the concession period expires in June 2015.

The initial toll rates are set forth in the concession agreement with a clause to increase the rates every three years with effect from March 2004 to the toll rates already set forth in the concession agreement.

Project Cost

The Project Cost was Rs. 122.85 million.

Debt Financing

The Company originally borrowed Rs. 56.20 million to help finance the construction of the bridge project. After the construction of the bridge was completed, the Company refinanced the project by borrowing Rs. 72.67 million. The loan was repaid in September 2006.

8. Dhule Bypass

Description

The project involved the construction of an 11.8 lane km (two lanes) bypass road. We began collecting tolls on the road in March 1998.

Concession Operator

Ashoka Infrastructures, an association of persons in which the Company has a 99.99% interest, is the operator of the project. The other member in Ashoka Infrastructures is Ashoka Buildwell and Developers Pvt. Ltd with a 0.01% interest. For more information on Ashoka Infrastructures and Ashoka Buildwell and

Developers Pvt. Ltd, please see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by the Public Works Department, Dhule of the State Government of Maharashtra. As per the concession agreement, the concession period expired in May 2006. However, as a result of claims made by Ashoka Infrastructures, it was mutually agreed to extend the expiry of the concession period to June 2009 to compensate Ashoka Infrastructures for those claims.

The toll rates are set forth in the concession agreement and there is no provision for an increase in tolls.

Project Cost

The Project Cost was Rs. 58.17 million.

Debt Financing

Ashoka Infrastructures originally borrowed Rs. 19.74 million to partially finance the project. After the construction of the project was completed, Ashoka Infrastructures leveraged the project by borrowing Rs. 52.50 million and the original loan was repaid. We further leveraged the project by borrowing an additional Rs. 50.00 million. Both of the loans were repaid by December 2005.

9. Akola Bypass

Description

The project involved the improvement and construction of a 12 lane km (two lanes) bypass road and the widening of the bridge on the Morna river in the Akola district, Maharashtra. We began collecting tolls on the bypass in July 2006.

Concession Operator

The Company is the operator of the concession.

Key Terms of the Concession

The concession was granted by Public Works Department, Akola of the State Government of Maharashtra. Under the terms of the concession agreement, the construction of the project was to be completed by February 2007. As the construction of the project was completed in July 2006, we collected tolls on the project seven months earlier than we would have had we finished construction on the scheduled completion date. The concession period expires in February 2008.

The initial base toll rates are set forth in the concession agreement with a clause that increases the rates with effect from April 2007 to the toll rates already set forth in the concession agreement.

Project Cost

The Project Cost was Rs. 74.25 million.

Debt Financing

There was no debt funding for the project.

10. Six Foot-Over-Bridges in Mumbai

Description

These projects involved the construction of six feet long foot bridges on the eastern express highway in Mumbai, Maharashtra. The projects were commissioned as follows:

Project Name	**Commissioned Date**
Foot-Over-Bridge in Mumbai (Godrej)	April 2002
Foot-Over-Bridge in Mumbai (Priya-darshani)	January 2003

Foot-Over-Bridge in Mumbai (Pravin Hotel)	May 2003
Foot-Over-Bridge in Mumbai (Tagore Nagar)	July 2003
Foot-Over-Bridge in Mumbai (Louis Wadi)	February 2003
Foot-Over-Bridge in Mumbai (Mental Hospital)	July 2002

Concession Operator

Ashoka High-Way Ad, a partnership in which the Company has a 99.99% interest, is the operator of the concessions. The other partner in Ashoka High-Way Ad is Ashoka Builders (Nasik) Private Limited with a 0.01% interest. For more information on Ashoka High-Way Ad and Ashoka Builders (Nasik) Private Limited, please see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Draft Red Herring Prospectus.

Key Terms of the Concessions

The concessions were granted by the Public Works Department, Mumbai the State Government of Maharashtra. Under the terms of the six separate concession agreements, there was no separate construction period. The concession period for each project will expire as follows:.

Project Name	**Concession Period Expires**
Foot-Over-Bridge in Mumbai (Godrej)	August 2016
Foot-Over-Bridge in Mumbai (Priya-darshani)	August 2012
Foot-Over-Bridge in Mumbai (Pravin Hotel)	August 2017
Foot-Over-Bridge in Mumbai (Tagore Nagar)	August 2018
Foot-Over-Bridge in Mumbai (Louis Wadi)	August 2013
Foot-Over-Bridge in Mumbai (Mental Hospital)	August 2013

There are no tolls payable on the bridges. Ashoka High-Way Ad earns revenue by letting –out advertisement space on hire on the bridges.

Project Costs

The total Project Costs for all six projects was Rs. 37.46 million.

Debt Financing

The Company originally borrowed Rs. 17.70 million to partially finance the six projects. After the construction of the projects were completed, the Company leveraged the projects by borrowing Rs. 55.00 million. The loan is repayable by December 2012. As at September 30, 2007, the amount outstanding on the loan was Rs. 40.32 million.

11. Anawali – Kasegaon Road

Description

The project involved improvements to the Anawali−Kasegaon road in Maharashtra. Ashoka Bridgeways began collecting tolls on the road in March 2004.

Concession Operator

Ashoka Bridgeways, a partnership in which the Company has a 5% interest, is the operator of the concession. The other partner in Ashoka Bridgeways is Ashoka Builders (Nasik) Private Limited with a 95% interest. Our Promoters and certain of their family members control Ashoka Builders (Nasik) Private Limited. For more information on Ashoka Bridgeways and Ashoka Builders (Nasik) Private Limited,

please see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by the Public Works Department, Pandharpur the State Government of Maharashtra. Under the terms of the concession agreement, the construction of the project was to be completed by July 2004. As the construction of the project was completed in March 2004, the concession operator collected tolls on the project two months early than it would have had construction of the project been completed on the scheduled completion date. The concession period expires in May 2017.

The initial toll rates are set forth in the concession agreement with a clause to increase the rates every three with effect from July 1, 2004 to the toll rates already set forth in the concession agreement.

Project Cost

The Project Cost was Rs. 73.53 million.

Debt Financing

Ashoka Bridgeways originally borrowed Rs. 41.00 million to partially finance the project. After the construction of the project was completed, Ashoka Bridgeways leveraged the project by borrowing Rs. 135.00 million. The loan is repayable by April 2011. As at September 30, 2007, the amount outstanding on the loan was Rs. 122.05 million.

BOT Projects – Construction not Complete

We have been awarded five toll roads totalling approximately 1,174 lane kilometres of roads on a BOT basis that are currently under construction or on which construction is yet to begin. Set forth below is a summary of these five BOT projects.

1. Katni Bypass

Description

The project involves the construction of a 35.2 lane km (two lanes) bypass road around the city of Katni, Madhya Pradesh on National Highway 7. In November 2007, Ashoka-DSC Katni Bypass Road Pvt. Ltd applied for a notification to be issued by the Government of Madhya Pradesh for starting toll collection.

Concession Operator

Ashoka-DSC Katni Bypass Road Private Limited was awarded the concession. The Company owns 99.89% of the shares in Ashoka-DSC Katni Bypass Road Pvt. Ltd. and the other 0.11% of the shares are owned by DS Construction Ltd. For more information on Ashoka-DSC Katni Bypass Road Pvt. Ltd., please see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by the Public Works Department, Jabalpur the State Government of Madhya Pradesh. The concession agreement, as amended, provides that the construction of the road was to be completed by November 2007. However, Ashoka-DSC Katni Bypass Road Pvt. Ltd. has applied for an extension of the completion date until January 2008. The concession agreement does not contain any penalty clause for the late completion of the project. The concession period will expire 12 years after the commencement date, which is the date from which we start the toll collection on the road.

Estimated Project Cost

The estimated Project Cost as assessed by lenders is Rs. 620.00 million.

Debt Financing

Bank of India has sanctioned a term loan of Rs. 230.00 million with a non fund based bank guarantee limit of Rs. 4.20 million and Federal Bank Limited has sanctioned a term loan of Rs. 200.00 million to Ashoka-

DSC Katni Bypass Road Pvt. Ltd but formal loan documentation has not yet been executed. The loans are approved for a period of 87 months from April 2008.

Status of Construction

The construction of the project began in August 2002. As at November 30, 2007, we had completed construction of approximately 78% of the project. As at November 30, 2007, our estimate of the amount we would need to spend to complete the construction of the project was Rs. 13.43 million, not including interest costs.

2. Ahmednagar – Aurangabad Road Project

Description

The project involves the widening of 168 lane km (four lanes) long road sections of the Ahmednagar – Aurangabad Road on Maharashtra State Highway 60.

Concession Operator

The Company was awarded the concession.

Key Terms of the Concession

The concession was granted by the Public Works Department, World Bank Division, Ahmednagar of the State Government of Maharashtra. The concession agreement provides that the concession period will expire in August 2017 and does not provide for any specific construction period.

The toll rates are set forth in the concession agreement with a clause to increase the rates every three years with effect from April 1, 2010 to the rates already set forth in the concession agreement.

Estimated Project Cost

The estimated Project Cost as assessed by lenders is Rs. 960 million.

Debt Financing

IDFC has sanctioned a Rs. 670 million loan to the Company to be repaid in 102 equal monthly instalments ending in March 2017. As per the debt financing terms, the road must be constructed by September 2008. As at September 30, 2007, the amount outstanding on the loan was Rs. 360.00 million.

Status of Construction

The construction of the road began in December 2006. As at November 30, 2007, we had completed construction of approximately 51% of the road. As at November 30, 2007, our estimate of the amount we would need to spend to complete the construction of the road was Rs. 381.70 million, not including interest costs. As at November 30, 2007, the construction of the road was on schedule.

3. NH-6 Bhandara Road

Description

The project involves the construction of a 320 lane km (four lanes) long road section of the National Highway 6 from the Chhattisgarh/Maharashtra border to the Wainganga Bridge section from 405 km to 485 km of the National Highway 6.

Concession Operator

Ashoka Highways (Bhandara) Limited has been awarded the concession. The Company owns 89% of the shares in Ashoka Highways (Bhandara) Limited. The remaining 10% interest is held by IDFC and 1% by Promoters to be beneficially held by the Company. For more information on Ashoka Highways (Bhandara) Limited, please see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Draft Red Herring Prospectus.

Key Terms of the Concession

Under the terms of the concession agreement, the construction of the project is to be completed by March 2010. If the road is not completed by March 2010 for any reason other than conditions constituting force

majeure or for reasons attributable to NHAI or any governmental agency, Ashoka Highways (Bhandara) Limited is liable to pay to NHAI as damages for the delay an amount calculated at the rate of 0.01% of the estimated cost of construction of the road as per the bid document per week or part thereof. The concession period will expire in March 2028.

The concession agreement provides that NHAI will give a grant of Rs. 100 million to Ashoka Highways (Bhandara) Limited during the construction phase of the project.

The toll rates are set forth in the concession agreement with a clause to revise the rates every year with effect from September 1 as per the changes in the Indian Wholesale Price Index each fiscal year.

Estimated Project Cost

The estimated Project Cost is Rs. 5,350.00 million.

Debt Financing

IDFC has sanctioned Rs. 2850.00 million to the company as part debt against total assessed debt of Rs. 3750.00 million. The loan is to be repaid in 144 structured monthly instalments ending in March 2023. As per the debt financing terms, the road must be constructed by December 2011.

Status of Construction

As at November 30, 2007, the construction of the project had yet to begin.

4. NH-6 Durg Bypass

Description

The project involves the construction of a 332 lane km (four lanes) long road section of the National Highway 6 - End of Durg Bypass to Chhattisgarh/Maharashtra border (from 322.40 km to 405 km of the National Highway 6).

Concession Operator

Ashoka Highways (Durg) Limited has been awarded the concession. The Company owns 89% of the shares in Ashoka Highways (Durg) Limited, with the remaining 10% owned by Infrastructure Development Finance Company Limited and 1% by Promoters to be beneficial held by company. For more information on Ashoka Highways (Durg) Limited, please see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by NHAI, New Delhi by a letter of award. Under the terms of the concession agreement, which has not been executed yet, the construction of the project is to be completed within 36 months from the date of signing of the concession agreement. If the construction of the road is not finished on time for any reason other than conditions constituting force majeure or for reasons attributable to NHAI or any governmental agency, Ashoka Highways (Durg) Limited is liable to pay to NHAI as damages for the delay an amount calculated at the rate of 0.01% of 4,640.00 million per week or part thereof. The concession period will expire 20 years from the appointment date. The appointment date is 180 days after the execution of the agreement.

The concession agreement provides that Ashoka Highways (Durg) Limited will pay Rs. 10 million to NHAI in the 13th year of the operation of the concession.

The toll rates are set forth in the concession agreement with a clause to revise the rates every year with effect from September 1 as per the changes in Indian Wholesale Price Index each fiscal year.

Estimated Project Cost

The estimated EPC cost as per the bid document is Rs. 4,640.00 million. This estimate does not include the interest during construction on the debt financing for the project and other expenses incidental to the project during the construction period. Therefore, the actual Project Cost will be higher.

Debt Financing

The Company has yet to arrange debt financing for the project.

Status of Construction

As at November 30, 2007, the construction of the project had yet to begin.

5. Jaora – Nayagaon Road

Description

The project involves the construction of a 319 lane km (four lanes) long road from Jaora to Nayagaon on the State Highway 31 in Madhya Pradesh.

Concession Operator

Jaora Nayagaon Toll Road Company Private Limited has been awarded the concession. The Company has a 24.01% beneficial interest in Jaora Nayagaon Toll Road Company Private Limited through its 49.00% ownership of VIPL, which owns 49.00% of the shares in Jaora Nayagaon Toll Road Company Private Limited. The remaining 51.00% of the shares in Jaora Nayagaon Toll Road Company Private Limited are held 28.00%, 11.50% and 11.50% by SREI Infrastructure Finance Ltd, Subhash Projects and Marketing Ltd. and PNC Construction Company Ltd., respectively. For more information on Jaora Nayagaon Toll Road Company Private Limited, please see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Draft Red Herring Prospectus.

Key Terms of the Concession

The concession was granted by MPRDC. The concession agreement provides that the construction of the project is to be completed within 36 months from the date of the "financial closure" (as defined in the concession agreement). The financial closure date is the date when the debt financing is arranged for the project, which has yet to occur and is in process. However, if financial closure has not occurred within 180 days from the date of signing of the concession agreement, it will be deemed to have occurred for the purposes of calculating the date by which the project must be completed. The concession agreement was signed on August 28, 2007. If we finish the construction of the project before the scheduled completion date, the toll period will commence from then until the end of the concession period. If we finish construction of the project after the scheduled completion date and there is no applicable force majeure event, then toll period shall commence from that date without any increase in concession period. The concession period will expire 25 years form the date of financial closure.

The concession agreement provides that Jaora Nayagaon Toll Road Company Private Limited will pay an amount to MPRDC every year starting from the first year of toll collection on the road. The amount payable in the first year of toll collection is Rs. 153.9 million, which amount increases by 5% every year. The period of payment is April 1 - March 30 every year, so if for example toll collection starts on October 1, then for the first year the proportionate amount (i.e., six months) has to be paid.

The toll rates are set forth in the concession agreement with a clause to increase the rates by 7% every year with effect from April 1 of each year.

Estimated Project Cost

The estimated EPC cost as per the bid document is Rs. 4,257.10 million. This estimate does not include the interest during construction on the debt financing for the project and other expenses incidental to the project during the construction period. Therefore, the actual Project Cost will be higher.

Debt Financing

The Company has yet to arrange debt financing for the project.

Status of Construction

The construction of the project has not begun.

EPC Division

Our EPC division engineers and designs, procures the raw materials, services and equipment for and constructs (a) roads and bridges for our BOT division and third parties and (b) commercial, industrial and institutional buildings for third parties. Our EPC division also maintains and repairs existing roads for our BOT division and third parties.

Details of the BOT projects our EPC division have built for our BOT division are set forth in this section above under the heading "Our Services and Products–BOT Division–BOT Projects in Operation" on page 82 of this Draft Red Herring Prospectus. The following table provides a brief summary of some of the more notable EPC projects that we have undertaken and completed for third parties.

Name of Project	**Client**	**Location**	**Contract Value in Rs. Millions**	**Completion Date**
Road EPC Projects				
Phalodi – Pachpadra	Road Infrastructure Development Company of Rajasthan Limited ("RIDCOR")	Rajasthan	1,560.00	March 2007
Westerly Bypass	NHAI, New Delhi	Maharashtra	1,300.00	July 2003
Other EPC Projects				
Construction of an aluminium foil and wheel plant	Hindalco Industries Limited	Silvassa	450.00	September 2001
Construction of factory building	Samsonite India Private Limited	Gonde, Nashik	90.00	March 1998

As at September 30, 2007, the Company, its subsidiaries and its predecessor entities had constructed 42 roads and bridges and built over 5.4 million square feet of commercial, industrial and institutional projects. As at November 30, 2007, our Order Book was Rs. 14,988.52 million.

EPC Contracts

Our EPC contracts typically require us to design, build and manage the project from inception to completion with the entity that awards the EPC contract taking possession of the project upon completion. When we undertake an EPC project, we are compensated, generally on a cash basis, for the completion of the project and, in many instances, interim milestones. Our EPC contracts are on a cost plus basis, on a fixed price or turnkey basis. Our recent EPC contracts for third parties 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 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. However, some contracts do not include such price variation or escalation clauses and we may in the future enter into more of these types of contracts. In those instances, we face the risk that the price of key materials and other inputs will increase during the project execution period and we will be unable to pass on the increases in such costs to the client, which could have a material adverse effect on our results of operations.

Engineering and Design

We provide detailed engineering services, if required by the client, for the projects that we undertake. Typically, for design-build 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 code requirements.

For those particular segments in which 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. Over the years, we have through a combination of experience and technical ability developed expertise in assessing the preliminary pre-tender designs prepared by our consultants, vis-à-vis the requirements of the client. After our initial review of the preliminary designs, we continue to confer with our consultants to arrive at the final solution for the project. Once the project is awarded to us, our consultants prepare detailed designs pursuant to the project requirements.

Procurement

Because procurement plays such a critical part in the success of any project, we maintain experienced staff in our purchase department to carry out material, services and equipment procurement for all project sites. Procurement is performed at our headquarters and at 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 RMC and bitumen division currently provides our EPC division with its ready-mix concrete and the bitumen requirements.

Over the years we have developed relationships with a number of vendors for key materials, services and equipment. We have also developed an extensive vendor database for various materials such as bitumen, steel and aggregate and services such as labour contractors. 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 finalizing 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.

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.

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 meet quality specifications for our projects is essential for the successful execution of such projects. We have not entered into any long-term supply contracts with our suppliers. However, 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. If we are unable to procure the requisite quantities of materials, services and equipment, our business and results of operations may be adversely affected.

Construction

The methodology of construction depends upon the nature of the project. We have an experienced construction team and are able to conduct all construction activities ourselves. However, where it makes commercial sense, we do hire subcontractors.

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 such as establishment of quarries, crushers, hot-mix plants and batching plants.

After the project site is handed over to us by the client, we perform preliminary works such as surveying and levelling identification of road alignment, carrying out road inventory surveys, utility surveys, encroachment surveys, tree surveys and soil investigations.

Construction activity typically commences once the client approves or issues designs and detailed drawings. The project team immediately identifies and works with the purchase department to procure the key construction materials and services required for commencing construction. Based on the contract documents, a detailed schedule of construction activities is prepared. This schedule identifies interim milestones, if any, stipulated in the contract with corresponding time schedules for achieving these milestones.

The sequence of construction activities largely follows the construction schedule that was prepared initially, subject to changes in scope requested by the client. Projects generally commence with excavation and earthmoving activities. Other major components of a typical construction project include concreting and reinforcement. Heavy earthmoving equipment, such as excavators, dumpers, loaders, bulldozers, graders and rock drilling tools, are used for excavation, whereas batching plants, transit mixers, tower cranes and concrete pumps, among other equipment, are used for laying or pouring concrete.

The key construction activities involved in a project depend on the nature and scope of the project. For example, to construct a road we typically clean and grub the land on which the road is to be laid, excavate the land, construct embankments and sub-grades, construct the granular surface, lay wet mixed macadam for flexible pavements or pour Dry Lean Concrete for rigid pavements, lay bituminous layers for flexible pavements or pour Pavement Quality Concrete for rigid pavements, construct earthen or paved shoulders, as applicable, construct median strips in case of divided carriage ways and install miscellaneous road fixtures such as thermoplastic road markings and road signs.

We monitor the progress of construction of our projects at each site as well as at our head office. We have developed in-house module for monitoring on "asking rate" (i.e., the resources to be deployed and the efforts to be put in to complete the project within the targeted completion date) for projects as well as costs on day to day basis. The module takes helps us to clear any back-log of work caused by unforeseen circumstances, such as natural calamities and disruptions, by estimating the additional resources to be deployed to make up for the lost time to complete the project on schedule. We have in-place a Business Monitoring System for identifying project delays, to help ensure that the projects are competed on or prior to schedule. We have executed all of our projects on time or prior to the scheduled completion date. For example, we constructed a 90-metre long bridge on the Mahad-Pandharpur state highway in 38 days compared with the scheduled construction time of 12 months. Similarly, the construction of a 100-metre long bridge called the Pargaon Bridge, a BOT project, was completed in 65 days compared with the scheduled construction time of 18 months. Both of these construction feats have been recognised in the *Limca Book of Records*. There have been no instances where our performance guarantees have been invoked by our clients.

Our Construction Equipment

We believe that our strategic investment in equipment and fixed assets is an advantage that enables us to rapidly mobilize our equipment to project sites as needs arise. We have a large fleet of construction equipment assets. 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. Our equipment is managed, maintained and operated by our personnel at our maintenance and repair facility at the project location.

As at September 30, 2007, we had invested Rs. 823.37 million (gross block) in plant and machinery for use by our EPC division. The material types of plant and machinery in terms of value used by our EPC division as at September 30, 2007 is set forth in the following table:

Name of Equipment	**Number of Units**
Crusher plant (for crushing the stones and making aggregate)	10

Name of Equipment	Number of Units
Batch type hot mix plant (for preparing bitumen)	3
Batch plant (for preparing concrete)	10
Paver (for paving the road layers	10
Dumper and tipper (for transporting materials)	40
Diesel generator sets (for power generation)	60
Excavator cum back hoe loaders (for excavating the earth)	7
Motorised grader (for grading the earth layers)	7
Loader (for loading and handling the material	12
Wet mix macadam plant (for mixing aggregate and soil)	6

Order Book

As at November 30, 2007, the Company had yet to construct one road the subject of a BOT agreement and it had contracts for constructing three roads for its subsidiaries and one road for an associate. In addition, the Company had contracts to construct five road projects for third parties and four commercial/industrial/institutional buildings for third parties. As at November 30, 2007, our Order Book was Rs. 14,988.52 million. The orders in our Order Book constitutes value of work orders for EPC and BOT assignment including value of construction of BOT projects directly capitalised in the company or executed as sale to Special Purpose Vehicle(SPV) are subject to cancellation and modification provisions contained in the various contracts and other relevant documentation.

The following table sets forth the value of our Order Book as at March 31, 2006, March 31, 2007 and November 30, 2007:

(Rs. in millions)

	As at March 31, 2006	As at March 31, 2007	As at November 30, 2007
Our BOT Projects	1,209.35	9,883.30	13,961.36
Third Party EPC Road Contracting	2,928.97	1,434.85	797.94
EPC Building Contracting	304.76	119.21	229.22
Total	4,443.08	11,437.36	14,988.52

Segment Composition of Balance Order Book

Approximately 93.15% of our Order Book as at November 30, 2007 related to BOT projects, 5.32% related to EPC projects in the road contracting segment and 1.53% related to EPC projects in the building contracting segment. We expect to complete approximately 100% of our existing Order Book in the next two years.

Client Composition of Balance Order Book

Approximately 97.88% of our order book as at November 30, 2007 related to projects sponsored by government or governmental agency clients, including the Central Government, State Governments and municipalities, 2.12% related to projects sponsored by private sector clients and 0% related to projects sponsored by multilateral agencies.

Geographical Spread of Balance Order Book

The geographical spread of our Order Book among the various Indian states and territories as at November 30, 2007 was as follows: 31.54% Maharashtra; 31.64% Madhya Pradesh; 30.96% Chhattisgarh; 3.74% Rajasthan; 0.13% Gujarat; 1.93% Goa; 0% Tamil Nadu; 0% the National Capital Territory of Delhi; 0% Dadra and Nagar Haveli; and 0.07% Daman and Diu.

The following table sets forth details of the more material contracts in our Order Book as at November 30, 2007. These orders represented approximately 99.16% of our Order Book as at November 30, 2007.

(Rs. in millions)

	Name of Project	**Contract Price/ Estimated Contract Price/Estimated Construction Cost to be Capitalised**	**Amount Outstanding as at November 30, 2007**
BOT Projects			
	Construction of Katni Road Bypass in Madhya Pradesh	610.00	134.30
	Construction and widening of 4/3 laning of Ahmedanagar-Aurangabad Road	870.00	390.06
	Construction of NH-6 Bhandara Road in Maharashtra	4,240.00*	4,240.00
	Construction of NH-6 Durg Road in Chhattisgarh	4,640.00*	4,640.00
	Construction of Jaora – Nayagaon Road in Madhya Pradesh	4557.00	4557.00
EPC Road Contracting for Third Party			
	Construction of 4/6 lane for the Chittorgarh Bypass	1,175.00	505.82
	Development of infrastructure facilities at Nandanagar, Indore	166.70	51.30
	Construction of a 8 lane km (four lane) concrete road / captive power plant / utility building in MEDITAB, Special Economic Zone, Goa	349.74	288.59
	Construction of a 3.2 lane km (four lane) long concrete road in Nashik City	50.67	26.27
EPC Building Contracting			
	Construction of engineering college at Bhuj	233.30	18.73
	Construction of a factory building in Gaurifloun Silvasa	46.39	10.35

** - The estimated Contract price as per the bid document*

RMC and Bitumen Division

Our RMC division supplies RMC to our EPC division as well as selling it to third parties. Our RMC division's revenue was Rs. 170.37 million, Rs. 186.63 million, Rs. 420.18 million and Rs. 295.55 million for fiscal 2005, fiscal 2006, fiscal 2007 and the six months ended September 30, 2007, respectively.

As at September 30, 2007, we had 10 RMC plants with a total production capacity of 540 cubic metres per hour: one plant in Mumbai with a capacity of 90 cubic metres per hour; two plants in Pune with a capacity of 60 and 30 cubic metres per hour; one plant in Nasik with a capacity of 30 cubic metres per hour; one plant in Surat with a capacity of 60 cubic metres per hour; two plants in Indore with a capacity of 30 and 60 cubic metres per hour; one plant in NH–6 Bhandara with a capacity of 30 cubic metres per hour; and two plants in Chittorgarh with a capacity of 120 and 30 cubic metres per hour. As at September 30, 2007, we had 55 concrete transit trucks and 15 concrete pumps.

We sell our RMC directly to third parties at negotiated rates, with prices linked to the prevailing market price for raw materials, primarily cement. We do not have any long-term contracts for sale of RMC.

The raw materials used to make our ready-mix concrete are cement, metal, sand and construction chemicals. We have not entered into any long-term supply contracts with our suppliers of raw materials. In the past, we have experienced some difficulties and delays in obtaining adequate supplies of cement, although we have not experience such difficulties or delays during the last 6 – 8 months. If we cannot obtain adequate supplies of cement not only could it have an adverse effect on our EPC business but we may be unable to sell ready-mix cement to third parties, which could have a material adverse effect on our ready-mix concrete business and our results of operations and financial condition.

This division also sells and processes bitumen to a higher grade for use in road projects and supports our EPC division by supplying it with bitumen. We have one plant in Pune for the processing of bitumen with a capacity of 60 metric tonnes per day.

Toll Collection Contract Division

We set up our toll collection contract division to leverage our experience of collecting tolls on our BOT projects and our proprietary computerised toll revenue auditing system. To date, we have entered into four agreements to collect tolls on roads/bridges owned and constructed by third parties, although our last contract expired in February 2007.

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 scans newspapers and websites to identify projects that could be of interest to us. The head of the tendering department evaluates bid opportunities and decides 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 bid process.

Tendering

We have a centralized tender department that is responsible for applying for all pre-qualifications and tenders for BOT projects, EPC contracts and toll collection contracts. Our tender department comprises two cells of three people each: the marketing cell and the technical cell.

The tender department evaluates our credentials vis-à-vis the stipulated eligibility criteria. We endeavour to qualify on our own for projects in which we propose to bid. However, in order to meet specific eligibility requirements for certain larger BOT projects, including requirements relating to particular types of experience and financial resources, we may seek to form project-specific joint ventures or special purpose vehicles with other companies.

A notice inviting bids may either involve pre-qualification, or short-listing of contractors, or a post-qualification process. In a pre-qualification or short-listing process, the client stipulates technical and financial eligibility criteria to be met by the potential applicants. Pre-qualification applications generally require us to submit details about our organizational set-up, financial parameters (such as turnover, net worth and profit and loss history), employee information, plant and equipment owned, portfolio of executed and ongoing projects and details in respect of litigations and arbitrations in which we are involved. In selecting contractors for major projects, clients generally limit the issue of tender to contractors they have pre-qualified based on several criteria, including experience, technical ability and performance, reputation for quality, safety record, financial strength, bonding capacity and size of previous contracts in similar projects, although the price competitiveness of the bid is usually a significant selection criterion. Pre-qualification 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, we carry out a detailed analysis 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, if the contract is for building a road, we study the suitability of location of the project, our past experience in that area, comfort level with the client and availability of required resources, etc.

A site visit enables us to determine the site conditions by studying the terrain and access to the site. Thereafter, a local market survey is conducted to assess the availability, rates and prices of key construction materials and the availability of labour and specialist sub-contractors in that particular region. Sources of key natural construction materials, such as quarries for aggregates, are also visited to assess the availability, leads and quality of such material. The site visit also allows us to determine the incidence and rates of local taxes and levies, such as sales tax or value added tax, octroi and cess. Our finance department assists in assessing the feasibility of the project.

In the case of a BOT project bid, it is crucial for us to assess traffic patterns in order to make a financially feasible bid. Over the course of our 11 years in toll-based BOT projects, we have developed an in-house traffic study team, which has the dual responsibility of conducting pre-bidding traffic surveys and monitoring toll collections. Our pre-bidding traffic surveys can range from a minimum of seven days to as much as six months, depending on the size of the road. Our traffic studies are designed keeping in mind various factors such as the nature of the traffic (e.g., local or long-distance), seasonality in traffic and traffic density. The traffic surveys include counting the number of vehicles as well as noting vehicle number plates to understand the origin or destination of the vehicles on the road. Our traffic forecasts also take into account alternative routes and proposed alternative routes and any proposed developments in the area. Our in-house traffic study team has an in-depth knowledge of traffic patterns not only in Maharashtra, Madhya Pradesh and Chhattisgarh, but also in Tamil Nadu, Gujarat, Rajasthan, Uttar Pradesh and Punjab. Based on our traffic study assessments, we are able to evaluate potential toll revenues for the project going forward.

Our representatives attend the pre-bid meetings convened by the clients, during which we raise any queries or requests for amendments to certain conditions of the proposed contract. Any ambiguities or inconsistencies in the document issued by the client are brought to the attention of the client for further clarification.

The tendering department invites quotations from vendors, sub-contractors and specialist agencies for various items or activities in respect of the tender. This data supplements the data gathered by the market survey. The gathered information is then 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 price to the client. The basis of determination of the mark-up is based in part on the evaluation of the conditions of the contract.

Our finance department assesses the financial feasibility of all tenders.

All tenders must be approved by our Project Committee, which currently comprises Mr. Michael Pinto, Mr. Satish D. Parakh and Mr. Shyamsundar S.G.

Competition

Our competition for BOT projects and EPC contracts depends on the size, complexity and location of the project and, for BOT projects, the risks relating to toll revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price (or in the case of BOT projects, either the amount of the grant or the amount a tenderer is willing to pay for the right to receive the concession) is often the deciding factor in most tender awards. According to the *CRISIL Infrastructure Report, July 2007*, there are over 200 major construction companies in India, many of which are either involved in BOT projects or have stated a desire to be involved in BOT projects. However, our main competitors for BOT projects and EPC contracts includes the Gammon group., Larsen & Toubro Ltd., IVRCL Infrastructure Ltd., Nagarjuna Constructions Company Ltd., Hindustan Construction Company Ltd., Madhucon Projects Ltd and IRB Infrastructure Developers Limited. Some of our competitors may have significantly greater resources than we do.

The ready-mix concrete business is a relatively new business in India and there are only a few large established companies in this market. The firms that solely operate in the ready-mix concrete market are ACC Ltd., Ultratech Ltd. and Ambuja Cements Ltd. In addition, there are some large construction companies that sell ready-mix cement to third parties, but this is not the main focus of their businesses. Because ready-mix concrete must be delivered within three hours of being poured into the transit mixer, competition is localised. Customers generally place orders based on the closeness of the competing firms' ready-mix concrete plants and the price charged.

Insurance

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We may also be subject to claims resulting from defects arising from engineering, procurement or construction services provided by us within the warranty periods extended by us, which can range from 12 to 60 months from the date of commissioning.

We obtain specialized insurance for construction risks and third party liabilities for most projects for the duration of the project and the defect liability period. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate. Risks of loss or damage to project works and materials are often insured jointly with our clients.

Our significant insurance policies consist of coverage for risks relating to physical loss or damage, business interruption loss, fidelity loss and money stolen in transit. Loss or damage to our materials and property, including contract works, whether permanent or temporary, and materials or equipment supplied by us or supplied to us, are generally covered by "contractors' all risks" insurance. Under the all risks insurance policy we are also provided cover for price escalation, debris removal and surrounding properties. Under our general public liability insurance policy, we are indemnified against legal liability to pay damages for third party civil claims arising out of bodily injury or property damage caused by an accident during the project in the course of business.

Wherever the contract and sub-contract requires us to take insurance, appropriate insurance coverage is taken.

We also maintain automobile policies and workmen's compensation policies wherever required as well as hospitalization and group personnel accident policies for our permanent employees.

Guarantees

We are often required to provide financial and performance guarantees guaranteeing our performance and financial obligations in relation to a project. The amount of guarantee facilities available to us depends

upon our financial condition and the availability of adequate security for the banks and financial institutions that provide us with such facilities. There have been no instances where our performance guarantees have been invoked by our clients.

Our Employees

We believe that our well-trained employee base is a key competitive advantage. As at September 30, 2007, our work force consisted of 2,078 full-time employees, 1,142 of whom worked in technical areas.

We are committed to the development of the expertise and know-how of our employees through regular technical seminars and training sessions organised or sponsored by the Company.

Our personnel policies are aimed towards recruiting the talent that we need, facilitating the integration of our employees into the Company and encouraging the development of skills in order to support our performance and the growth of our operations.

In December 2007, the Company adopted an employee share option plan pursuant to which certain employees are eligible to be awarded options to purchase Equity Shares. For more details on the ESOP, see the section titled "History and Certain Corporate Matters" beginning on page 106 of this Draft Red Herring Prospectus. We believe that by granting our employees options to purchase Equity Shares it will further motivate them to make our business even more successful.

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.

Health, Safety and Environment

We are committed to complying with applicable health, safety and environmental regulations and other requirements in our operations and have a documented policy in place. For details of the various laws applicable to us, please see the section titled "Regulations and Policies" beginning on page 103 of this Draft Red Herring Prospectus.

To help ensure effective implementation of our practices, at the beginning of every project we seek to identify all potential material hazards, evaluate all material risks and institute, implement and monitor appropriate controls. We believe that accidents and occupational health hazards can be significantly reduced through the systematic analysis and control of risks and by providing appropriate training to management, employees and sub-contractors. We seek to work proactively towards minimizing or eliminating the impact of hazards to people and the environment. At large project sites, we employ safety personnel dedicated to helping ensure the implementation of our health, safety and environmental policies at such sites. Project managers are principally responsible for ensuring safety standards are met at small sites.

Our Properties

The Company's registered office and corporate headquarters are located at Ashoka House, Ashoka Marg, Nashik, 422 011, Maharashtra, India. The Company owns this 2,350 square metre building.

A summary of other properties owned by the Company are as follows:

Details of Property	**Purpose**
Flat No. 6 B3 and Shop No. 5 B2 at Ashoka Garden, Panvel, measuring 191 sq. m. in the aggregate	Office premises
Survey Nos. 417/1/1 to 417/1/6 and 417/1/6/1, in Musakhedi, Indore, measuring 1400 sq. m.	RMC activity
Gat No. 1546, Borgaon, Khandwa (146 km), Indore, measuring 174,300 sq. m.	RMC activity
Gat Nos. 238 and 236/2, Sagadiya, Sanawad, (88 Km) Indore, measuring 61,061 sq. m. in the aggregate	RMC activity

Details of Property	Purpose
Plot No. A/21/2 at Hazira Surat Iccapur, GIDC Bhatkor, measuring 7,712 sq. m.	RMC activity
Plot No. 43, Sinner Survey No. 936/1/3+936/2A+936/3 in Dist Nasik, Maharashtra measuring 250.31 sq. m	Machinery and store yard
Gat Nos. 413/2 and 413/A/2, NH6 in Mauza Manegaon and Lakhani, Bhandara, Maharashtra, measuring 13,600 sq. m. in the aggregate	Project site land
Gat Nos. 505/1/1, 505/1/2 and 505/1/4, NH6 in Mauza Bhandara, Maharshtra, measuring 10,600 sq. m. in the aggregate	Project site land
1198/3B Sinnar, Nasik measuring 1,972 sq. m. Dist Nasik, Maharashtra	Machinery and store yard
Plot No. 38, Survey No-936/1/3+936/2A+936/3 measuring 138 sq. m. Sinnar, Dist Nasik, Maharashtra	Machinery and store yard
S No. 284 -1-A, Behind K K Wagh College, Mumbai-Agra Road, Nasik, measuring 427 sq. m.	Machinery and store yard
Plot No-11, Survey No-935/ 3 B, Malegaon MIDC, Sinner, measuring 324 sq. m.	Machinery and store yard
Land at Taluka Karjat, Mirajgaon measuring 110,200 sq. m.	Project site land
S No 19/2 , Umbergaon, Sarigam, measuring 197.63 sq. m.	Project site land
S. Nos. 162/4, 184/1 to 3 Umrikheda – Indore, Indore - Khandwa Main Road measuring 16,200 sq. m.	Project site land
Flat No 1001, Great Eastern Garden, Kanjurmarg, Mumbai, measuring 140 sq. m.	Office and residential premises
Flat No-802, Hilla Heights, 147, Ali Bhai Premji Rd., Grant Road (East), Mumbai 400 007 (560 sq.feet.)	Office and residential premises
Flat No.20A and 20B, Ashoka Residency, Pandit Colony, Nasik admeasuring 102.19 sq.m.	Residential premises
N-34-S-1, Ranenagar, Nasik admeasuring 37 sq. m.	Residential premises
½, Riverview, Ashoka Stambh, Nasik admeasring 69 sq.m	Office

Our Intellectual Property

We have not patented our proprietary system and software for auditing toll revenue. Our Company has filed two applications dated October 1, 2007, with the Trade Marks Registry at Mumbai, for registration of the Ashoka (logo) as a trademark in respect of cement (Application No. 1607021) and as a service mark in respect of the roads, bridges and building construction activities (Application No. 1607022). These applications are currently pending registration.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. 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.

Introduction

The Company is engaged in the business of civil construction.

Set forth below are certain significant legislations and regulations that generally govern this industry in India:

Regulation of the Road Sector

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

National Highways Act, 1956

Under this Act, the GOI is vested with the power to declare a highway as a National Highway and also to acquire land for this purpose. The GOI may by notification, declare its intention to acquire any land when it is satisfied that for a public purpose such land is required for the building, maintenance, management or operation of a national highway. The National Highways Act prescribes the procedure for the same. Such procedure relates to declaration of an intention to acquire, entering and inspecting such land, hearing of objections, declaration required to be made for the acquisition and the mode of taking possession.

The central government is responsible for the development and maintenance of National Highways. However, it may direct that such functions may also be exercised by state governments. Further, the GOI has the power to enter into an agreement with any person for the development and maintenance of a part or whole of the highway. Such person would have the right to collect and retain fees at such rates as may be notified by the GOI.

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 GOI 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 GOI 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 GOI.

Environment Regulation

Infrastructure projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 (Water Pollution Act), the Air (Prevention and Control of Pollution) Act, 1981 (Air Pollution Act) and the Environment Protection Act, 1986 (Environment Act).

The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the Water Pollution Act are also to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area.

The Environment Act has been enacted for the protection and improvement of the environment. The Act empowers the GOI to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The GOI may make rules for regulating environmental pollution.

With respect to forest conservation, the Forest (Conservation) Act, 1980 prevents state governments from making any order directing that any forest land be used for a non-forest purpose or that any forest land is assigned through lease or otherwise to any private person or corporation not owned or controlled by the Government without the approval of the GOI. The Ministry of Environment and Forests mandates that Environment Impact Assessment (EIA) must be conducted for projects. In the process, the Ministry receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

Foreign Ownership

Under the Industrial Policy and FEMA, FDI up to 100% is permitted in construction and related engineering services. Further, the Industrial Policy now also permits foreign direct investment under the automatic route in projects for construction and maintenance of roads, highways, vehicular bridges, toll roads and ports and harbours.

Subject to certain conditions and guidelines, the Industrial Policy and FEMA further permit up to 100% FDI in townships, housing, built-up infrastructure and construction development projects which include, but are not restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities and city and regional level infrastructure.

The RBI by its A.P. (DIR Series) circular No. 16 dated October 4, 2004 granted general permission for the transfer of shares of an Indian company by Non-Residents to residents and residents to Non-Residents, subject to the terms and conditions, including pricing guidelines, specified in such circular. No approvals of the FIPB or the RBI are required for such Allotment of Equity Shares under this Issue.

Investment by Foreign Institutional Investors

Foreign Institutional Investors (FIIs) including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an

initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership Restrictions of FIIs

Under the portfolio investment scheme, the overall issue of equity shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of a company. However, the limit of 24% can be raised up to the permitted sectoral cap (which is 100% for the engineering and construction sector) for that company after approval of the Board of Directors and shareholders of the company. As of date, no such approval has been obtained. The total holding of a single FII should not exceed 10% of the post-issue paid-up capital of the Company or 5% of the total paid-up capital in case such sub-account is a foreign corporate or an individual. In respect of an FII investing in equity shares of a company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that company.

Other Laws and Regulations

Certain other laws and regulations that may be applicable to the Company include the following:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
- 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;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972;
- Shops and Commercial Establishments Acts, where applicable;
- Minimum Wages Act 1948;
- Hazardous Waste (Management and Handling) Rules, 1989;
- Hazardous Chemicals Rules, 1989;
- Industrial Disputes Act, 1947;
- Mines and Quarries Act, 1954;
- The Explosives Act, 1884; and
- Workmen's Compensation Act, 1923.

HISTORY AND CERTAIN CORPORATE MATTERS

Our History

We began our operations as a civil construction firm, Ashoka Constructions in November 5, 1983 as a partnership between Mr. Ashok M. Katariya, Mr. Ramanal B. Parakh, Mr. Sushil R. Parakh, Mr. Narendra R. Shakadwipi and Mrs. Vimlabai R. Shakadwipi. We were reorganized as a company called Ashoka Buildcon Private Limited in 1993 and engaged in the business of civil construction. We became a public company on April 22, 2002 and changed the name of our Company from Ashoka Buildcon Private Limited to Ashoka Buildcon Limited with effect from April 22, 2002 pursuant to a special resolution of the shareholders passed at an EGM on April 4, 2002. The fresh certificate of incorporation consequent on change of name was granted by the RoC to our Company on April 22, 2002.

We build and operate roads and bridges in India on a build, operate and transfer ("BOT") basis. We believe we currently operate one of the highest number of toll-based BOT projects in India. In addition to BOT projects, we also (i) engineer and design, procure the raw materials and equipment for and construct roads, bridges, commercial buildings, industrial buildings and institutional buildings for third parties, (ii) manufacture and sell ready-mix concrete ("RMC") and bitumen and (iii) collect tolls on roads and bridges owned and constructed by third parties. Our business is organised into four divisions:

- the BOT division;
- the engineering, procurement and construction ("EPC") division;
- the RMC and bitumen division; and
- the toll collection contract division.

Prior to fiscal 1997, we were engaged solely in the engineering and construction of residential, commercial, industrial and institutional buildings. In fiscal 1997, having acquired EPC skills, we also turned our attention to bidding for contracts for toll roads and toll bridges on a BOT basis. We were awarded our first BOT project, the Dhule bypass in Maharashtra, in fiscal 1997 and completed the construction of the road in the same fiscal year. In fiscal 2000 we began manufacturing RMC solely for use by our EPC division. In fiscal 2002 we began to manufacture RMC to sell to third parties as well as for use by our EPC division. In fiscal 2005 we began processing bitumen to a higher grade at our facility in Pune for use in road projects. Having developed systems and procedures for collecting tolls on our BOT projects, including developing our own proprietary computerised toll revenue auditing system, we tendered for and were awarded our first the contract to collect the tolls on a road owned and constructed by a third party.

In August 2006, IDFC Infrastructure Fund 2 acquired 1,019,617 Equity Shares in our Company which made IDFC the single largest shareholder with 18.18% equity stake in our Company.

Our registered office was changed from ½, River View Apartments, Gharpure Ghat, Ashok Stambh, Nashik, Maharashtra 422 002 to Ashoka House, Ashoka Marg, Nashik, Maharashtra 422 011 by a resolution of our Board dated August 25, 2004.

Scheme of Amalgamation (the "Scheme")

On February 11, 2004, the Board of Directors of the Company approved the Scheme, under sections 391 to 394 of the Companies Act, for the amalgamation of Ashoka Info Private Limited; Ashoka Infra Private Limited; Ashoka Vastu Private Limited; Ashoka Vastu Shilp Private Limited; Ashoka Shilp Vikas Private Limited and Ashoka Construction Engineers Private Limited (the "Transferor Companies") with the Company. The Company obtained the approval of its shareholders for the Scheme on March 12, 2004. The Scheme was approved by the Bombay High Court on December 3, 2004.

Rationale for the Scheme of Amalgamation

The Transferor Companies and the Company are engaged in the business of builders and construction contractors, including the business to build, erect, construct, operate on BOT basis, repair, execute and develop infrastructural projects. The businesses of the Transferor Companies and the Company are of

similar and complementary nature. A consolidation of the Transfer Companies and the Company is therefore expected to lead to greater synergy in operations, better management expertise, reduced expenses, more efficient utilisation of capital and enhancement of the capability to invest in large and sophisticated projects, thereby ensuring rapid growth of the amalgamated company.

A Summary of the Scheme of Amalgamation

A summary of the terms and conditions of the Scheme are:

(I) The Scheme envisaged the transfer of Undertakings (as defined below) of each of the Transferor Companies to the Company pursuant to section 394 of the Companies Act, in accordance with the terms of the Scheme.

(a). The "Appointed Date" for the Scheme was April 1, 2003.

(b). "Effective Date" means the date on which certified copies of orders of High Court of Bombay sanctioning the Scheme are filed with RoC, Mumbai and RoC, Pune. The certified copies of orders of High Court of Bombay sanctioning the Scheme were filed with RoC, Mumbai and RoC, Pune on June 27, 2005.

(c). "Undertaking" shall mean and include:

(i) All assets, claims, whether provided in the books of account or not, estates, interests, powers, properties, rights including toll collection rights upto the concession period at the current terms and conditions or any revised terms and conditions including revised concession period and titles of every description, whether Permanent or Temporary, of or relating to, the Transferor Companies as on the Appointed Date;

(ii) All the debts, duties, liabilities and obligations of every description of, or pertaining to, the Transferor companies as and on the appointed Date, whether provided for or not in the books of accounts of the Transferor Companies in its Balance Sheet;

(iii) Advantages of whatsoever nature, agreements, allotments, approvals, arrangements, authorisations, benefits, capital work-in-progress, concessions, rights and benefit of all contracts, consents, currents assets, easements, engagements, exemptions, fixed assets, industrial and intellectual property rights of any nature whatsoever and licences in respect hereof, intangibles, investments, leasehold rights, liberties, ownership flats, patents, permits, purchase orders, letters of intent, pending orders, documents and records in physical or electronic form, utilities including electricity and water connections wheresoever available and deposits given for obtaining and continuing such utilities, powers of every kind, nature and description whatsoever, privileges, provision funds, quota rights, registrations, reserves, and all properties, movable and immovable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wherever situated, right to use and avail of telephones, telexes, facsimile connections, installations and other communication facilities and equipments, tenancy rights, titles, trademarks, pending applications for trademarks, trade names, and any other utilities held by the Transferor Companies or to which the Transferor Companies are entitled to as on the Appointed Date and cash and bank balances, all earnest moneys, margin money and/or deposits including security deposits paid by the Transferor Companies and all other interest wherever situate, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by or arising to the Transferor Companies.

The Scheme also included terms regarding the transfer of assets subject to charge, enforcement of legal proceedings involving Transferor Companies, transactions/contracts of Transferor Companies, conduct of business by Transferor Companies till effective date, accounting treatment of the assets and liabilities of the Transferor Companies in the books of the Company, employees, staff and workmen of the Transferor Companies and various funds of the Transferor Companies.

(II) Further, the terms of the Scheme involved the issue of shares by the Company to the shareholders of each Transferor Company, upon the Scheme being finally effective, in consideration of the transfer. The Scheme envisaged that the shares shall be issued in the following manner:

(a). To each equity shareholder of Ashoka Info Private Limited; 0.62 equity shares of Rs. 10 each fully paid-up of the Company for 1 equity share of Rs.10 each fully paid-up of Ashoka Info Private Limited held.
To each preference shareholder of Ashoka Info Private Limited; 1 preference share of Rs.100 each fully paid-up of the Company for 10 preference shares of Rs.10 each fully paid-up of Ashoka Info Private Limited held.

(b). To each equity shareholder of Ashoka Infra Private Limited; 0.12 equity shares of Rs. 10 each fully paid-up of the Company for 1 equity share of Rs.10 each fully paid-up of Ashoka Infra Private Limited held.
To each preference shareholder of Ashoka Infra Private Limited; 1 preference share of Rs.100 each fully paid-up of the Company for 10 preference shares of Rs.10 each fully paid-up of Ashoka Infra Private Limited held.

(c) To each equity shareholder of Ashoka Vastu Private Limited; 2.06 equity shares of Rs. 10 each fully paid-up of the Company for 1 equity share of Rs.10 each fully paid-up of Ashoka Vastu Private Limited held.

(d). To each equity shareholder of Ashoka Vastu Shilp Private Limited; 0.51 equity shares of Rs.10 each fully paid-up of the Company for 1 equity share of Rs.10 each fully paid-up of Ashoka Vastu Shilp Private Limited held.
To each preference shareholder of Ashoka Vastu Shilp Private Limited; 1 preference share of Rs.100 each fully paid-up of the Company for 1 preference share of Rs.100 each fully paid-up of Ashoka Vastu Shilp Private Limited held.

(e). To each equity shareholder of Ashoka Shilp Vikas Private Limited; 1.45 equity shares of Rs.10 each fully paid-up of the Company for 1 equity share of Rs.10 each fully paid-up of Ashoka Shilp Vikas Private Limited held.

(f). To each equity shareholder of Ashoka Construction Engineers Private Limited; 0.53 equity shares of Rs.10 each fully paid-up of the Company for 1 equity share of Rs.10 each fully paid-up of Ashoka Vastu Shilp Private Limited held.

The Scheme also mandated that the Company shall increase its share capital under section 94 of the Companies Act and cause a special resolution to be passed in pursuance of section 81 (1A) of the Companies Act, for the offer and allotment of its equity shares to the shareholders of Transferor Companies. The said resolution was passed on March 17, 2005.

In accordance with the terms of the Scheme, upon the Scheme being sanctioned by the High Court as from the effective date, the Transferor Companies shall stand dissolved without winding up and the main objects of the MoA of the Transferor companies shall form part of the main objects of the Company in addition to its existing objects.

Milestones achieved by the Company since its incorporation are listed below:

Year	Milestones
1995-96	The Company completes its first major industrial project for Nilkamal Plastics Limited, Sinnar.
1997-98	The Company starts work on the Dhule bypass project, one of the first BOT projects in Maharashtra. The Company completes this project within a period of nine months. The Company completes the construction of one of the first few flyovers in Pune, the Kothrud flyover. The Company is awarded the ISO 9001:2000 certification for quality management systems. The Company establishes the Ashoka Training Institute to promote excellence in civil construction education and research. The Company is awarded the National Award for 'Most Outstanding Bridge-Excellent Aesthetic Matching Environment' for Kothrud flyover, Pune and Shivna bridge from Indian Institute of Bridge Engineers.
2000	The Company was awarded its first project aggregating approximately Rs. 1,000 million on NH-4.
2001	The Company completes construction of East Coast road between Chennai and Pudducherry which was declared to be a model road by Government of India. The Company is awarded the 'NIMA Excellence Award' by the Nashik Industries and Manufacturer's Association. The Company starts its RMC business.
2003-04	The Company completes construction of the Indore-Edalabad road, which was one of the longest roads to be constructed on a BOT basis.
2007	The Company received the Certificate of Registration regarding compliance with requirements of ISO 9001: 2000, ISO 14001:2004 and OHSAS 18001:1999. The said certificate was granted by International Standards Certifications Pty. Limited.

Main Objects

Our main objects that enable us to carry on our business and proposed business as contained in our Memorandum of Association are as follows:

To carry on the business of builders, masonry and general construction contractors and to construct, re-construct, prepare sites, pull down, alter, improve, repair, develop, furnish, decorate and maintain buildings, flats, mansions, dwelling houses, chawls, row houses, bungalows, garages, shops, offices, commercial complex, works, industrial estates, factories, plants, mills, godowns, bridges, dams, roads, hereditaments or other landed property, conveniences of all kinds and for this acquire by purchase, lease, exchange, hire or otherwise lands properties, buildings, estates of any nature, tenure, description or interest therein or connected therewith.

Amendments to our Memorandum of Association

Date	Details of change
July 8, 1997	Increase in authorised capital from Rs.0.5 million to Rs. 5 million.
September 2, 1997	Increase in authorised capital from Rs. 5 million to Rs. 10 million.
February 29, 2000	Increase in authorised capital from Rs. 10 million to Rs. 30 million.

Date	Details of change
October 5, 2000	Increase in authorised capital from Rs. 30 million to Rs. 65 million.
April 4, 2002	Conversion of the status of the Company from a deemed public company to fully fledged public company.
March 17, 2005	Increase in authorised capital from Rs. 65 million to Rs. 215 million.
March 28, 2006	Increase in authorised capital from Rs. 215 million to Rs. 365 million.
December 15, 2007	Increase in authorised capital from Rs. 365 million to Rs. 811 million.

Key Awards and Recognitions

Year	Name of Award
1997	Awarded the 'CM Shah Concrete Technology Award' by Institution of Engineers, India, Pune Local Centre.
1997	Awarded the National Award for 'Most Outstanding Bridge-Excellent Aesthetic Matching Environment for Kothrud flyover, Pune and Shivna bridge from Indian Institute of Bridge Engineers.
1998	The quality management systems of the Company were ISO 9001:2000 certified by International Standards Certifications Pty Limited. Awarded the 'Director's Work of World Class Quality Award' for the project executed for Proctor and Gamble in Goa.
2001	Awarded the 'National Award –Most Outstanding Bridge' for construction of Bhor bridge Awarded the NIMA Excellence Award by the Nashik Industries and Manufacturer's Association

Summary of Key Agreements

Share Subscription and Shareholders' Agreement

Share Subscription and Shareholders' Agreement dated July 11, 2006 (the "Agreement") between Ashoka Buildcon Limited (the "Company"), Mr. Ashok Katariya, Mr. Sunil Raisoni, Mr. Satish Parakh, Mr. Narendra Sakhadwipi, Ashoka Buildwell and Developers Private Limited, AP Equipment, Shubham Developers, Ashoka Township, Ashoka Bitucon Exim Private Limited, Ashoka Builders (Nasik) Private Limited, and other shareholders of the Company (collectively referred to as the "Promoters" for the purposes of this Agreement) and IDFC Infrastructure Fund 2 (the "Investor") (the "Parties").

Background: The Company and the Promoters had approached the Investor to subscribe to the equity share capital of the Company. Based on the representations, warranties, covenants and undertakings of the Company which are contained in the Agreement, the Investor had agreed to subscribe to 1,019,617 equity shares at a price of Rs. 980.76 per equity share, aggregating to 18.18 % of the fully diluted equity share capital of the Company. The Parties agreed to enter into the Agreement to record their respective representations, warranties, undertakings and covenants in respect of (i) the issue to, subscription and payment by, the Investor of equity shares in the Company, and (ii) regulating as between themselves, the ownership, management and other affairs of the Company.

Term: The Agreement will fall away if the Investor's shareholding in the Company drops to less than 20 % of the original shares allotted to it or the listing of the shares on a recognised stock exchange whichever is earlier. However, in case of listing on a recognised stock exchange certain provisions relating to the management of the Company which include the presence of independent directors on the board, the right of Investor to appoint one director and one observer each, the appointment of one nominee director on the boards of the project entities etc. and the meetings of the board and certain affirmative vote matters shall continue to be in force and effect.

Project Committee: In accordance with the Agreement, the Board of Directors of the Company have constituted a committee (Project Committee) to evaluate and strategise on projects to be bid for by the Company and / or project entities.

Annual Business Plan: In accordance with the Agreement the Promoters are required to prepare an annual business plan, in the manner specified in the Agreement, for Company and project entities, which shall be approved by the Investor and subsequently by the Board of Directors.

Transfer restrictions: The equity shares held by the Parties are subject to the following transfer restrictions:

(a). *Minimum shareholding*: The Promoters are required to maintain and retain control of the Company and hold at least 51% of the total equity share capital of the Company.

(b). *Permitted transfers*: Subject to the minimum shareholding requirements, the Promoters can transfer the shares held by them amounting to not more than 5 % in case of an individual promoter and 10 % in the aggregate of all the Promoters to a bonafide financial investor without the prior written consent of the Investor.

Investor's right of first refusal and Tag-along rights: If any Promoter proposes to transfer any of the shares held by it then it shall first give a written notice to the Investor and the Investor shall have the following rights:

(i) The right to acquire such shares in accordance with the procedure prescribed in the Agreement.

(ii) The right to sell all or part of their shares on similar terms and conditions, and in the manner prescribed in the Agreement, to the potential transferee.

Transfer by the Investor: The Investor shall be free to transfer the equity shares in any manner whatsoever, subject to the Promoters' "right of first refusal" similar to the one outlined above. Further, the Investor may transfer to any of its affiliates as defined in the Agreement, provided the affiliate shall enter into a Deed of Adherence. Subject to the provisions mentioned herein, post IPO, the Investor shall be free and entitled to transfer to any person, all or part of it shares without providing the "right of first refusal" to the Promoters.

Transfer of shares of Ashoka Buildwell and Developers Private Limited, Ashoka Township and Ashoka Bitucon Exim Private Limited (key shareholding companies) and project entities (as defined in the Agreement): The Promoters shall not transfer their shareholding in key shareholding companies / project entities or issue any further shares of key shareholding companies / project entities without the prior approval of the Investor. However, these requirements shall not be applicable to transfer inter se the Shareholders or issuance of shares by the key shareholding companies to the Promoters.

Promoter Entitlement: In accordance with the terms of the Agreement, the Promoters shall be entitled to get full economic benefit, if any of the money claims (such claims have been specified in the Agreement) made by the Company, on various authorities, realise in income for the Company and/or the concerned project entity. The Agreement also sets out the conditions pursuant whereto any claim shall be considered as having realised into income for the Company and/or the concerned project entity and that such claims may either be settled in cash or by way of extension of the concession period. The Promoters are, therefore, entitled to receive Equity Shares so as to compensate them for the claims realised by the Company (the "Promoter Entitlements"). The Promoter Entitlements shall cease to have any validity and effect if the claims are realised after the expiry of 30 months from the date of the Agreement.

Investor Entitlements: Under various concession agreements entered into by the Company and/or project entities, the authorities granting the concessions have made various claims against the Company and/or the concerned project entity (the "Government Claims"). In terms of the Agreement the parties to the Agreement have agreed that the economic benefit that the Promoters are entitled as stated above, shall be netted off against any losses or reduction of value suffered by the Company and/or the concerned project entity on account of the Government Claims. The economic reduction (if any) of value of the Company on

account of the net-off shall be passed onto the Investor by issuance of Equity Shares (the "Investor Entitlements"). The Investor Entitlements shall be outstanding for a maximum period of 30 months from the date of the Agreement.

Directors: In accordance with the terms of the Agreement the Investor has appointed 1 person on the Board of Directors as non-retiring director (Investor Director) and 1 person as an observer. The director or his alternate or his representative can also be appointed on any committees constituted by the Board of Directors as per the request of the Investor. The Investor is also entitled to nominate a director and an observer on the board of directors of the project entities except in Jayaswals Ashoka Infrastructure Private Limited.

Board Meetings: The Board of Directors is required to meet at least once in every calendar quarter and at least 4 such meetings are required to be held in every year. The quorum for a meeting of the Board shall be governed by the provisions of the Companies Act, 1956 subject to the condition that if the Investor Director is not present at a meeting, there shall be no quorum. The Company is required to provide 10 days prior written notice to each director. Any item not included on the agenda of the meeting may be considered / voted or a meeting may be convened at a shorter notice period, with the prior written consent of the Investor Director.

Shareholders meetings: All the meetings of the shareholders are required be held in accordance with the Companies Act and the Company's charter documents with at least 21 days prior notice, unless a shorter period in respect of any general meeting is unanimously agreed to by all the shareholders in writing.

Affirmative vote: The following matters shall require the affirmative vote of the Investor Director:

(i) Any special resolution under the provisions of the Companies Act, 1956 or other applicable/ successor acts.
(ii) Any investments, except normal treasury investments made as per the investment policy approved by the board of directors.
(iii) Issuance of any fresh equity.
(iv) Borrowing funds or issuing trade guarantees in excess of sums mentioned in the Business Plan approved by the Investor.
(v) Create any subsidiary permit any capital restructuring.
(vi) Alteration / revision of business plan.
(vii) Merger, de-merger, acquisition or entering into any joint venture except those permitted.
(viii) Liquidation or dissolution.
(ix) Declaration or payment of dividends or making any other distribution on account of any shares of preferred stock or common stock now or hereafter outstanding.
(x) Repurchase of any outstanding shares of the Company's capital stock.
(xi) Amendment of Memorandum and Articles of Association.
(xii) Entering into transactions with connected persons as defined under the Agreement.
(xiii) Determining the appointment and remuneration of the Chairman, MD, CEO, COO, ED, CFO and other senior staff.
(xiv) Allowing disposal of shares of the Promoter and / or their nominees.
(xv) Appointment / dismissal of any board members, except promoter director or nominee director of the Shareholders.
(xvi) Changing the accounting year.
(xvii) Sale of all or substantial assets of the Company.
(xviii) Divestment of its shareholding in any of the subsidiary companies.
(xix) Transfer/modification/sale/vesting any of the material contracts entered into by the Company.
(xx) Changing/appointing a statutory/internal auditor.
(xxi) Diversification.
(xxii) Bidding for projects (including, as a joint venture partner) requiring a total capital out lay in excess of Rs. 2000 million.
(xxiii) Incurring capital expenditure in excess of 10% what is stated in the approved business plan.

(xxiv) Listing of the Company or any project entity.
(xxv) Transfer of shares of the Company or transfer of, or issuance of, shares of any project entity or key shareholding entity.

Initial Public Offer (IPO): The Parties have agreed to work towards an initial public offering involving the shares of the Company and the Shareholders and make best efforts to ensure that the Company makes an IPO within a period of or on before March 31, 2009 (IPO cut-off date).
In the event the Company fails to have an IPO before the IPO cut-off date, the Shareholders and the Company shall provide the Investor an option to sell their shares in one of the following manners as provided for in the Agreement:

(i) Liquidity IPO: The Company shall, at the sole discretion of the Investor, list its equity shares on one or more of the stock exchanges which can either be by way of an offer for sale by the Investor or issuance of further equity shares by the Company or a offer for sale by the Shareholders or a combination of the three provided that the following conditions are followed:

  (a) Investor shall offer at least 50% of the shares originally subscribed by it.
  (b) Investor shall be entitled to require the Company to issue further shares to the extent of a maximum of 40% of the number of shares required to comply with the minimum conditions of continuous listing.
  (c) If, in spite of the Investor offering all of its shares and the Company issuing shares as mentioned in (b) above, the number of shares offered does not meet the minimum condition then the Investor shall be entitled to require the Company to issue further shares and require the Shareholders to offer part of their shareholding in the Company.

(ii) Buyback of Investor's shares: On or before March 31, 2011, the Company shall buyback its shares held by the Investor, subject to the provisions of the Companies Act, 1956 at a fair value as determined by reputed external agency jointly appointed by the Investor and the Shareholders. The Shareholders and any of their transferees shall not offer their respective shares in any such buyback.

(iii) If (i) or (ii) do not occur within the specified time frames, the Company and the Shareholders shall ensure that the Investor has an exit option in the manner provided for by the Agreement.

Further issue of shares by the Company: Subject to the applicable law and provisions of the Agreement, the board may issue and allot any of the unissued shares or any shares representing an increase in the paid up share capital of the Company. However, the Company shall not make any further issuance of shares on terms which are more favourable than, or which have rights attached to such capital or instruments which are more favourable than the rights attached to the shares issued to Investor unless the Company provides an opportunity to the Investor to subscribe to such shares on same terms.

Monitoring and Information Covenants: Until the Investor holds the shares of the Company, the Investor shall have a right to monitor the operations of the Company, the Company and the project entities shall provide to the Investor such reasonable information and data as in the opinion of the Investor may be required and also information / documents such as financial statements etc. as provided for in the Agreement.

Addendum cum Amendment to Share subscription and Shareholders' Agreement

Addendum cum Amendment to Share Subscription and Shareholders' Agreement dated July 11, 2006 (the "Agreement"), dated December 10, 2007, between Ashoka Buildcon Limited (the "Company"), Mr. Ashok Katariya, Mr. Sunil Raisoni, Mr. Satish Parakh, Mr. Narendra Sakhadwipi, Ashoka Buildwell and Developers Private Limited, AP Equipment, Shubham Developers, Ashoka Township, Ashoka Bitucon Exim Private Limited, Ashoka Builders (Nasik) Private Limited, and other shareholders of the Company (collectively referred to as the "Promoters" for the purposes of this Agreement) and IDFC Infrastructure Fund 2 (the "Investor") (the "Parties").

Certain Promoters elected to exercise their Promoter Entitlements in terms of Article 11 of the Share Subscription and Shareholders' Agreement dated July 11, 2006 (the "Original Agreement"). In accordance with the terms of the Agreement, Clause 11 of the Originl Agreement shall be forthwith terminated and the Promoters shall subscribe to the following number of equity shares of face value Rs.10 at par by paying in cash, in exercise of their Promoter Entitlements:

(*In Rs. million*)

Particulars	Ashok M. Katariya	Satish D. Parakh	Sunil B. Raisoni	Sanjay P. Londhe	Astha Katariya	Ashish Katariya	Shobha Parakh	Snehal Khatri	**Total**
EBIDTA of non-BOT business above INR 250 million	48,328	147,555	-	14,109	238,017	130,000	143,000	50,000	771,009
Ashoka Infrastructures (PWD – Dhule, Dhule Bypass - BOT)	76,559	62,640	-	-	-	-	-	-	139,199
Ashoka Buildcon Limited (Unit: Nashik) Sussen Asia Pvt. Limited	5,113	-	4,184	-	-	-	-	-	9,297
Total	**130,000**	**210,195**	**4,184**	**14,109**	**238,017**	**130,000**	**143,000**	**50,000**	**919,505**

Upon the allotment of the Promoter Entitlements as above, the Promoters shall cease to have any rights to further Promoter Entitlements or to any further claims against the Company and/or the Investor in this regard under Clause 11 of the Original Agreement and/or elsewhere. Further, the Promoters and the Compay have covenanted to the Investor that no circumstances have arisen in terms of Clause 11 of the Original Agreement that would give the Investor any right to Investor Entitlements. Further, the Agreement states that, if the aforesaid covenant is found to be incorrect at a later date, then the Investor will be entitled to Investor Entitlements in accordance with Clause 11 of the Original Agreement.

The Investor has also agreed to the amendement of the Articles of Association of the Company in view of the proposed IPO of the Company, subject to the understanding that the IPO will occur no later than June 30, 2008. If the IPO is not completed by June 30, 2008; the Company shall take all steps to amend the Articles of Association as they stood on December 10, 2007. Further, in the period prior to or after the IPO, all the rights of the Investor as per the Original Agreement shall continue to stand valid and binding, irrespective of whether they are included in the new articles of association or not.

Our Joint Ventures

The Company has entered into the following joint ventures/ memoranda of understanding / shareholders' agreements where the project is at various stages of pre-qualification/ tendering/ execution. Unless extended expressly, joint ventures at the pre-qualification/ tendering stage expire if the projects are not awarded to the joint venture. None of the joint ventures are incorporated entities.

Projects under execution

1. Partnership with Ashoka Vastu Private Limited and Ashoka Builders (Nashik) Private Limited

The Company entered into a partnership with Ashoka Builders (Nashik) Private Limited and Ashoka Vastu Private Limited on September 15, 2001 to create a partnership named Ashoka High-Way AD. This partnership was created to allow Ashoka Builders (Nashik) Private Limited and Ashoka Vastu Private Limited to assist the Company in bidding for seven construction contracts and to raise the financing for the same. The seven contracts are: construction of foot over bridge across Eastern Express Highway at Priyadarshini Circle with private financing and advertisement rights on BOT basis; construction of foot over bridge across Eastern Express Highway at Louiswadi with private financing and advertisement rights on BOT basis; construction of foot over bridge across Eastern Express Highway at Mental Hospital with private financing and advertisement rights on BOT basis; construction of foot over bridge across Eastern Express Highway at Pravin Hotel with private financing and advertisement rights on BOT Basis; construction of foot over bridge across Eastern Express Highway at Tagore Nagar with private financing and advertisement rights on BOT Basis and the construction of foot over bridge across Eastern Express Highway at Godrej Company with private financing and advertisement rights on BOT basis.

The partnership will end on the last of the concession periods. The firm's capital will be the sums as contributed by the partners from time to time and the profits will be credited to the accounts of partners as reduced by withdrawals and losses debited to the accounts of the partners. The profits or losses of the firm, after meeting all costs, charges and expenses incurred on carrying on the business of the partnership and after making all the necessary provisions and transfers to reserves, if any, will be divided and borne by the partners in the following ratio, as recorded by the supplementary agreements dated June 27, 2005 as a result of the Scheme of Amalgamation by way of which Ashoka Vastu Private Limited was merged with the Company:

- ABL: 99.99%
- Ashoka Builders (Nashik) Private Limited: 0.01%

The overall right to manage and conduct the partnership business shall vest in both the remaining partners and the partners shall nominate one person each to take part in the affairs of the firm.

2. Shareholders' agreement with D.S. Constructions Limited

The Company and D.S. Constructions Limited (**"**DSC**"**) had jointly bid for the construction of the Katni Bypass Road from Km. 361.00 to Km. 378.00 on NH-7 on a BOT basis which was awarded to them. The two companies created a SPV named Ashoka – DSC Katni Bypass Road Private Limited. The Company entered into a shareholders' agreement with DSC dated July 14, 2006 because both parties desired that the Company take overall responsibilities and obligations for the implementation and execution of the Katni project on the terms of their settlement. Pursuant to settlement and the shareholders' agreement, the Company, through the SPV, has refunded DSC all of DSC's contributions to the project. The Company shall have complete control over the SPV and its management, responsibilities, risk and liabilities shall lie with the Company. DSC shall only be an investor with 3,300 equity shares of Rs.10 each.

3. Joint Venture Agreement with Valecha Engineering Limited

The Company entered into a joint venture agreement with Valecha Engineering Limited ("Valecha") to jointly bid for a NHAI project for the construction of 4/6 lane access controlled Chittorgarh Bypass which was subsequently awarded to the Ashoka-Valecha joint venture. Under the agreement, the parties agreed to share the mobilization advances granted by the NHAI, taxes and expenses in the following ratio:

- ABL: 51%
- Valecha: 49%.

The joint venture would be managed by an Executive Committee comprising one representative each of ABL and Valecha. The agreement will be terminated upon the completion of construction work and expiry

of the defect liability period, which continues for a period of one year from the completion of construction, and the settlement of all dues between the parties and between the joint venture and the NHAI.

4. Memorandum of Understanding with IVRCL Infrastructures and Projects Limited

The Company has entered into a memorandum of understanding with IVRCL Infrastructures and Projects Limited ("IVRCL") dated August 14, 2001 for the purpose of creating a SPV to execute the project for the reconstruction of the Indore-Khandawa-Barhanpur-Edalabad Road on a BOT basis, floated by the Madhya Pradesh Rajya Setu Nirman NigamLimited which had been awarded to IVRCL. The SPV was named as Viva Highways Private Limited.

The Company and IVRCL subscribed to the equity share capital of the SPV during the construction period of the project in the following ratio:

- IVRCL: 78%
- ABL: 22%.

The construction phase of this project has been completed and the toll collection period is currently underway. In accordance with agreement, during the toll collection period, the consortium/bidder's minimum holding in the SPV should be 26% of the equity share capital and the balance 74% is held by the Company. Both parties have a right of first refusal to purchase the shares of the other at the time of the other party's sale of its shareholding.

5. Shareholders' agreement with IVRCL Infrastructures and Projects Limited and Viva Infrastructure Private Limited

The Company has entered into a shareholder's agreement with IVRCL and Viva Infrastructure Private Limited (**"**VIPL**"**) dated March 25, 2002 to determine IVRCL and ABL's shareholding in VIPL. The primary object of VIPL is to enable IVRCL as its associate to hold up to 78% of the equity share capital of Viva Highway Private Limited during the construction period and 26% of the equity share capital of Viva Highway Private Limited during the toll collection period, which is to be a special purpose vehicle to execute the project for the reconstruction of the Indore-Khandawa-Barhanpur-Edalabad Road on a BOT basis. The equity shareholding of VIPL would be as per the following ratio:

- IVRCL along with its designated person: 51%
- ABL: 49%.

IVRCL's shareholding along with its designated person will be 51% of the equity share capital in VIPL. IVRCL will not by itself hold more than 50% of the equity share capital of VIPL. Both ABL and IVRCL have a right of first refusal to purchase the shares of the other at the time of the other party's sale of its shareholding. ABL can appoint two directors to the board while IVRCL can appoint one.

6. Memoranda of Understanding with Infrastructure Development Finance Company Limited

The Company has entered into two memoranda of understanding dated May 26, 2006 with IDFC to form two SPVs to bid for the project for the construction of Durg Bypass in Chattisgarh from Km. 322.4000 to Km. 405.000 and Wainganga Bridge section on the Chattisgarh-Maharashtra border from Km. 405.000 to Km.485.000. ABL is to be the lead member of the ABL – IDFC consortium in both the SPVs. If there is further third party investment in the SPVs, during the construction phase of the two sections of the Durg Bypass, ABL is to hold a minimum of 51% of the consortium's equity holding in the SPVs, while IDFC will hold a minimum of 10%. However, if there is no further third party equity participation in the SPVs, then ABL will hold a minimum of 90% of the equity in the SPVs, while IDFC will hold a minimum of 10%.

7. Memorandum of Understanding with Jayaswal Holdings Private Limited

The Company has entered into a memorandum of understanding dated October 20, 1998 with Jayaswal Holdings Private Limited ("JHPL") to establish a SPV by the name of Jayaswals Ashoka Infrastructure

Private Limited to execute the project for the construction of a bridge over the river Wainganga on a BOT basis. ABL and JHPL are to hold the equity of the SPV in the following ratio:

- ABL : 50%
- JHPL: 50%.

Both ABL and JHPL have agreed to make equal contributions to the share capital and long term finance requirements of the SPV. Failure to contribute one's share of funds may be treated by the other party as a breach of agreement and if the non-breaching party were to contribute funds in excess of its share, it is entitled to interest in respect of the excess at the rate of 18% per annum to be compounded annually. ABL is to ensure that the construction work is to be sub-contracted to another contractor, who is to be a nominee of ABL, on a lump-sum basis as per the price quoted by ABL in its winning bid to the Government. The SPV is to be managed by a board of directors comprising of 4 Directors of which ABL and Jayaswal Holdings Private Limited are to have an equal number of nominees. ABL could nominate a Chairman to the board who is to have a casting vote in case of a tie. The SPV may bid for future construction projects for which the technical expertise would be provided by ABL at a remuneration to be decided mutually between the SPV and ABL. Both ABL and JHPL have a right of first refusal to purchase the shares of the other at the time of the other party's sale of its shareholding. By a shareholders' agreement dated March 21, 2001, JHPL transferred its shareholding in the SPV to Abhijeet Iron Processors Private Limited who became signatory to a deed of adherence and thereby became subject to the terms and conditions of the memorandum of understanding dated October 20, 1998.

8. Memorandum of Understanding entered into among VIPL, SREI Infrastructure Finance Limited, Subhash Projects and Marketing Limited and PNC Construction Company Limited

VIPL has entered into a memorandum of understanding dated May 26, 2007 with SREI Infrastructure Finance Limited ("SREI"), Subhash Projects and Marketing Limited ("SPML") and PNC Construction Company ("PNC") Limited to bid for the construction and maintenance of the project for the 4-laning of the Jaora – Nayagaon section from Km.126/200 to Km.252/200 of State Highway 31 in the State of Madhya Pradesh to be awarded by Madhya Pradesh Road Development Corporation Limited. As the consortium of SREI, SPML and PNC (the "Consortium") has pre-qualified for the tender process, VIPL intends to join the consortium's financial bid for the tender process. While the consortium procures the bid security required to be given along with the bid, VIPL will meet all the financial and technical criteria for the project and provide counter-guarantees to the consortium. The parties have established a SPV wherein the equity shareholding of the parties is as follows:

- SREI & its associates : 28%;
- PNC : 11.5%;
- SPML: 11.5%; and
- VIPL and its associates: 49%.

VIPL will have the right of first refusal for subcontracting the work for the actual construction of the project in the event that the consortium's bid is accepted. SREI and its associates will have the right of first refusal for meeting the financial mandate for the project.

Our Subsidiaries

Unless otherwise stated, none of our subsidiaries is a sick company under the meaning of SICA and none of them are under winding up. Further, all our subsidiaries are unlisted companies and they have not made any public issue of securities in the preceding three years.

1. Viva Highways Private Limited

Corporate Information

Viva Highways Private Limited was incorporated on August 16, 2001. It was established to execute the project of reconstruction, strengthening, widening of Madhya Pradesh State Highway No. 27 from Indore to Edalabad on BOT basis. The company is presently collecting toll on the same project.

Registered Office

The registered office of Viva Highways Private Limited is located at:

Ashoka House
Ashoka Marg
Nasik – 422 011

Board of Directors:

The directors of Viva Highways Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Narendra R. Shakadwipi
4. Ashish A. Katariya

***Shareholding Pattern*:**

The shareholding pattern of the Viva Highways Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashoka Buildcon Limited	72,57,864	74.00
2.	Viva Infrastructure Private Limited	25,50,336	26.00

Financial Information:

The summary audited financial statements of Viva Highways Private Limited for the last three years are as follows:

(Rs. million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	98.08	98.08	98.08
Reserves and Surplus	337.28	215.36	185.09
Income	463.87	372.11	257.85
Profit/(Loss) After Tax (PAT)	121.92	30.27	(86.98)
Earning Per Share (EPS)	12.43	3.09	(8.87)
Book Value (Face value of Rs. 10/- per share)	44.39	31.96	28.87

2. Ashoka Infraways Private Limited

Corporate Information

Ashoka Infraways Private Limited was incorporated on June 25, 2001. It was established to execute the project for the construction and maintenance of Dewas Bypass Road from Km. 159/4 of Madhya Pradesh State Highway – 18 to Km. 577/6 of National Highway – 3 comprising a total length of 19.8 Km on BOT basis. The company is presently collecting toll on the same project.

Registered Office

The registered office of Ashoka Infraways Private Limited is located at:

Ashoka House

Ashoka Marg
Nasik – 422 011

Board of Directors:

The directors of Ashoka Infraways Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Ashish A. Katariya
4. Rajendra C. Burad

***Shareholding Pattern*:**

The shareholding pattern of Ashoka Infraways Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashoka Buildcon Limited	995,500	99.55
2.	Ashoka Buildcon Limited through its nominee, Ashok M. Katariya	2,500	0.25
3.	Ashoka Buildcon Limited through its nominee, S.D. Parakh	2,000	0.20

Financial Information:

The summary audited financial results of Ashoka Infraways Private Limited for the last three years are as follows:

(Rs. million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	10.00	10.00	10.00
Reserves and Surplus	82.24	86.77	121.44
Income	105.99	73.53	58.96
Profit/(Loss) After Tax (PAT)	(4.52)	(34.68)	(34.71)
Earning Per Share (EPS) (Rs.)	(4.52)	(34.68)	(34.71)
Book Value (Face value of Rs. 10/- per share) (Rs.)	(24.30)	(19.78)	14.89

3. Ashoka Infrastructure Limited

Corporate Information

Ashoka Infrastructure Limited was incorporated on July 11, 2002. It was established to execute the project for the four-laning and strengthening of Pune-Ahmednagar Road, on Maharashtra State Highway 60, from Km.10/600 to Km.64/000 on BOT basis. The company is presently collecting toll on the same project.

Registered Office

The registered office of Ashoka Infrastructure Limited is located at:

Ashoka House
Ashoka Marg
Nasik – 422 011

Board of Directors:

The directors of Ashoka Infrastructure Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Sunil B. Raisoni
4. Ashish A. Katariya
5. Dilipbhai D. Kothari

Shareholding Pattern

The shareholding pattern of Ashoka Infrastructure Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashoka Buildcon Limited	1,97,22,450	99.86
2.	Ashoka Buildcon Limited through its nominee, Ashish A. Katariya	7,450	0.04
3.	Ashoka Buildcon Limited through its nominee, Asha A. Katariya	5,000	0.03
4.	Ashoka Buildcon Limited through its nominee, Ashok M. Katariya	5,000	0.03
5.	Ashoka Buildcon Limited through its nominee, Shweta A. Katariya	5,000	0.03
6.	Ashoka Buildcon Limited through its nominee, Astha A. Katariya	5,000	0.03
7.	Ashoka Buildcon Limited through its nominee, Satish D. Parakh	100	0.00

Financial Information:

The summary audited financial results of Ashoka Infrastructure Limited for the last three fiscal years are as follows:

(Rs. million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	197.50	197.50	197.50
Reserves and Surplus	180.79	266.00	210.00
Income	246.55	171.77	0.00
Profit/(Loss) After Tax (PAT)	(54.95)	(30.26)	0.00
Earning Per Share (EPS) (Rs.)	(2.78)	(1.53)	0.00
Book Value (Face value of Rs. 10/- per share) (Rs.)	5.69	8.47	9.89

4. Ashoka-DSC Katni Bypass Road Private Limited

Corporate Information

Ashoka-DSC Katni Bypass Road Private Limited was incorporated on July 18, 2002. It was established to execute the project for the construction of Katni Bypass on NH – 7 from Km. 361/2 to 378/6 around Katni town in Madhya Pradesh on BOT basis. The company is currently involved in the same business.

Registered Office

The registered office of Ashoka-DSC Katni Bypass Road Private is located at:

– ½, River View
Gharpure Ghat
Ashok Stambh
Nasik – 422 002

Board of Directors:

The directors of Ashoka-DSC Katni Bypass Road Private are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Anil S. Gandhi

Shareholding Pattern

The shareholding pattern of Ashoka-DSC Katni Bypass Road Private, as on November 30, 2007 is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashoka Buildcon Limited	29,94,900	99.83
2.	D.S. Constructions Limited	3,300	0.11
3.	Ashoka Buildcon Limited through its nominee, Ashok M. Katariya	900	0.03
4.	Ashoka Buildcon Limited through its nominee, Sunil B. Raisoni	900	0.03

Financial Information:

The summary audited financial results for this company for the last three fiscal years are as follows:

(Rs. million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	30.00	0.10	0.10
Reserves and Surplus	0.00	0.00	0.00
Income	0.00	0.00	0.00
Profit/(Loss) After Tax (PAT)	0.00	0.00	0.00
Earning Per Share (EPS) (Rs.)	0.00	0.00	0.00
Book Value (Face value of Rs. 10/- per share) (Rs.)	9.99	5.76	5.76

5. Ashoka Highways (Bhandara) Limited

Corporate Information

Ashoka Highways (Bhandara) Limited was incorporated on March, 15, 2007. It was been established to execute the project for the construction, operation and maintenance of the Wainganga Bridge section from Km.405 to Km.485 of NH – 6 on the Chattisgarh – Maharashtra border on BOT basis. The Company is currently involved in the same business.

Registered Office

The registered office of Ashoka Highways (Bhandara) Limited is located at:

Ashoka House
Ashoka Marg
Nasik – 422 011.

Board of Directors:

The directors of Ashoka Highways (Bhandara) Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Ashish A. Katariya
4. Madhukar V. Patil

Shareholding Pattern

The shareholding pattern of Ashoka Highways (Bhandara) Limited, as on November 30, 2007 is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashoka Buildcon Limited	44,500	89.00
2.	IDFC Limited	5,000	10.00
3.	Ashok M. Katariya	100	0.20
4.	Asha A. Katariya	100	0.20
5.	Ashish A. Katariya	100	0.20
6.	Satish D. Parakh	100	0.20
7.	Shobha S. Parakh	100	0.20

Financial Information:

The company has no financial performance figures to report since it has not commenced commercial operations.

6. Ashoka Highways (Durg) Limited

Corporate Information

Ashoka Highways (Durg) Limited was incorporated as Ashoka Highways (Durg) Limited on March 15, 2007. The name of the company was changed pursuant to a special resolution passed at an EGM dated October 25, 2007. The fresh certificate of incorporation consequent on change of name was granted by RoC to Ashoka Highways (Durg) Limited on November 5, 2007. Ashoka Highways (Durg) Limited was established to execute the project for construction, operation and maintenance of Durg Bypass, from Km.322.4 to Km.405 of NH – 6 on the Chattisgarh – Maharashtra border on BOT basis. The company is currently involved in the same business.

Registered Office

The registered office of Ashoka Highways (Durg) Limited is located at:

Ashoka House
Ashoka Marg
Nasik – 422 011

Board of Directors:

The directors of Ashoka Highways (Durg) Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Ashish A. Katariya

Shareholding pattern

The shareholding pattern of Ashoka Highways (Durg) Limited, as on November 30, 2007, is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashoka Buildcon Limited	44,500	89.00
2.	IDFC Limited	5,000	10.00
3.	Ashok M. Katariya	100	0.20
4.	Asha A. Katariya	100	0.20
5.	Ashish A. Katariya	100	0.20
6.	Satish D. Parakh	100	0.20
7.	Shobha S. Parakh	100	0.20

Financial Information:

The company has no financial performance figures to report since it has not commenced commercial operations.

Associate Companies

1. Viva Infrastructure Private Limited

Corporate Information

Viva Infrastructure Private Limited was incorporated on January 28, 2002. It was established to enable ABL and IVRCL Infrastructures and Projects Limited to hold shares in Viva Highways Private Limited, a special purpose vehicle established to execute the project for the reconstruction of the Indore-Khandawa-Barhanpur-Edalabad Road on a BOT basis. The company is not engaged in any other business currently.

Registered Office

The registered office of Viva Infrastructure Private Limited is located at:
"Ashoka Arch"
E/28-29, Market Yard
Pune - 411 037

Board of Directors:

The directors of Viva Infrastructure Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Ashish A. Katariya

***Shareholding Pattern*:**

The shareholding pattern of Viva Infrastructure Private Limited, as on November 30, 2007 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashoka Buildcon Limited	49,000	49
2.	IVRCL Infrastructures and Projects Limited	50,000	50
3.	B. Ramalinga Reddy	1,000	1

Financial Information:

The summary audited financial results of Viva Infrastructure Private Limited for the last three fiscal years are as follows:

(Rs. million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	1.00	1.00	1.00
Reserves and Surplus	240.20	238.16	238.20
Income	38.47	0.00	0.60
Profit/(Loss) After Tax (PAT)	2.04	(0.03)	(0.07)
Earning Per Share (EPS) (Rs.)	20.42	(0.35)	(0.75)
Book Value (Face value of Rs.10 per share) (Rs.)	27.65	7.23	7.58

2. Jayaswals Ashoka Infrastructure Private Limited

Corporate Information

Jayaswals Ashoka Infrastructure Private Limited was incorporated on November 3, 1998. It was established to execute the project for construction of bridge across the Wainganga River in Km. 491/00 of Nagpur-Raipur road section of NH-6 in District Bhandara, Maharashtra. This company is currently engaged in the same business and has started toll collection operations.

Registered Office

The registered office of Jayaswals Ashoka Infrastructure Private Limited is located at:

F-8, Hingna Road
MIDC
Nagpur 440 016

Board of Directors:

The directors of Jayaswals Ashoka Infrastructure Private Limited are:

1. Ashok M. Katariya
2. Manoj Jayaswal
3. Satish D. Parakh
4. Anand Jayaswal

Shareholding Pattern

The shareholding pattern of Jayaswals Ashoka Infrastructure Private Limited, as on November 30, 2007, is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashoka Buildcon Limited	4,000,000	50
2.	Abhijeet Infrastructure Limited	2,080,000	26
3.	Manoj Jayaswal	240,000	3
4.	Arbind Jayaswal	240,000	3

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
5.	Basantlall Shaw	240,000	3
6.	Ramesh Jayaswal	240,000	3
7.	Ushadevi Jayaswal	240,000	3
8.	Nishadevi Jayaswal	240,000	3
9.	Manishadevi Jayaswal	240,000	3
10.	Ritadevi Jayaswal	240,000	3

Financial Information:

The summary audited financial results of Jayaswals Ashoka Infrastructure Private Limited for the last three fiscal years are as follows:

(Rs. million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	80.00	80.00	80.00
Reserves and Surplus	0.00	0.00	0.00
Income	39.79	2.80	1.31
Profit/(Loss) After Tax (PAT)	(0.44)	(4.45)	0.48
Earning Per Share (EPS) (Rs.)	(0.05)	(0.56)	0.06
Book Value (Face value of Rs.10 per share) (Rs.)	9.33	9.43	9.99

Partnerships

1. Ashoka High-way Ad

Corporate Information

The Company entered into a partnership deed dated September 15, 2001 with Ashoka Builders (Nashik) Private Limited and Ashoka Vastu Private Limited. This partnership was entered into to allow Ashoka Builders (Nashik) Private Limited and Ashoka Vastu Private Limited to assist the Company in bidding for seven construction contracts and to raise the financing for the same. Subsequently, Ashoka Vastu Private Limited was merged into the Company. This partnership is presently engaged in the same business.

Partnership Ratio

The profit/loss sharing ratio of the partnership is as follows:

Name of the Partners	Profit	Loss
Ashoka Buildcon Limited	99.99%	99.99%
Ashoka Builders (Nasik) Private Limited	0.01%	0.01%

Financial Performance

The audited financial results of Ashoka High-way Ad for the last three fiscal are as follows:

(Rs. in million)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Capital	22.18	20.54	20.33
Reserves and Surplus	0.00	0.00	0.00
Income	23.96	20.63	14.00
Expenditure	12.97	11.15	9.41
Profit/(Loss) After Tax	10.95	9.48	4.59

2. Ashoka Bridgeways

Corporate Information

The Company entered into a partnership agreement dated March 1, 1999 with Ashoka Builders (Nashik) Private Limited. The partnership was formed to execute the work of construction of major bridge across Mandve Nullah on Mahad-Pandharpur Road, S.H. 70 at Km. 179/600 on BOT basis with toll rights. This partnership is presently engaged in the same business.

The profit/loss sharing ratio of the partnership is as follows:

Name of the Partners	Profit	Loss
Ashoka Buildcon Limited	5.00%	5.00%
Ashoka Builders (Nasik) Pvt. Ltd.	95.00%	95.00%

Financial Performance

The audited financial results of Ashoka Bridgeways for the last three fiscal years are as follows:

(Rs. in million)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Capital	10.78	9.63	17.32
Reserves and Surplus	0.00	0.00	0.00
Income	26.92	30.20	13.61
Expenditure	25.39	25.85	24.28
Profit/(Loss) After Tax	1.53	4.35	(10.66)

Association of Persons

Ashoka Infrastructures

The Company has formed an association of persons with Ashoka Buildwell and Developers Private Limited and Ashoka Vastu Private Limited on April 14, 1997. Ashoka Vastu Private Limited was later merged with the Company in accordance with the Scheme of Amalgamation.

The association of persons was formed to construct Dhule Bypass under BOT Scheme with toll rights under PWD, Dhule, Maharashtra. The association of persons is presently engaged in the same business.

The profit/loss sharing ratio of the association of persons is as follows:

Name of Partners	Profit	Loss
Ashoka Buildcon Limited	99.99%	99.99%
Ashoka Buildwell and Developers Private Limited	0.01%	0.01%

Financial Performance

The audited financial results for this association of persons for the last three fiscal years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Capital	59.18	118.61	58.79
Reserves and Surplus	0.00	0.00	0.00
Income	38.05	53.57	60.78
Expenditure	1.66	2.08	3.65
Profit/(Loss) After Tax	36.39	51.49	57.14

OUR MANAGEMENT

Board of Directors:

We currently have eight directors. The following table sets forth details regarding our Board as of the date of filing the Draft Red Herring Prospectus with SEBI.

Name, Designation, Father's Name, Address, Occupation and Term	Age	Nationality	Other Directorships
Mr. Ashok M. Katariya (S/o Mr. Motilal Katariya) *Executive Chairman* Address: Anshuman, Sahadev Nagar Gangapur Road Nasik 422 013 Maharashtra Occupation: Business Term: Three years with effect from April 1, 2006 DIN: 00112240	59	Indian	• Ashoka Construwell Private Limited • Ashoka City Towers Constructions Private Limited • Ashoka Deserts & Developers Private Limited • Ashoka Errectors Private Limited Ashoka Estate Developers Private Limited • Ashoka Housing Constructions Private Limited • Ashoka Nirmiti Private Limited • Ashoka Premises Private Limited • Ashoka Promoters Private Limited • Ashoka Shilp Akruti Private Limited • Ashoka Vastu Akruti Private Limited • Ashoka Vastukala Nirman Private Limited • A-One Tiles Private Limited • Ashoka Bitucon Exim Private Limited. • Ashoka Bitucon International Private Limited • Ashoka Infraways Private Limited • Ashoka Path Nirman (Nasik) Private Limited • Viva Highways P Private Limited • Viva Infrastructure Private Limited • Ashoka-DSC Katni Bypass Road Private Limited • Ashoka Builders (Nasik) Private Limited • Ashoka Infrastructure Limited • Ashoka Vanrai Developers Private Limited • Jayaswals Ashoka Infrastructure Private Limited Ashoka Universal Academy Private Limited. • Ashoka Highways (Bhandara) Limited • Ashoka Highways (Durg) Limited

Name, Designation, Father's Name, Address, Occupation and Term	Age	Nationality	Other Directorships
Mr. Satish D. Parakh (S/o Mr. Dhondulal Parakh) *Managing Director* Address: 2&3, Aditya Behind Aditya Petrol Pump Sawarkar Nagar Gangapur Road Nasik 422 013 Maharashtra Occupation: Business Term: 3 years with effect from April 1, 2006 DIN: 00112324	49	Indian	• Ashoka Buildwell & Developers Private Limited • Ashoka City Towers Constructions Private Limited • Ashoka Deserts & Developers Private Limited • Ashoka Errectors Private Limited. • Ashoka Estate Developers Private Limited • Hotel Evening Inn Private Limited • Ashoka Housing Constructions Private Limited • Ashoka Nirmiti Private Limited • Ashoka Premises Private Limited • Ashoka Promoters Private Limited • Ashoka Shilp Akruti Private Limited • Ashoka Vastu Akruti Private Limited • Ashoka Vastukala Nirman Private Limited • Ashoka Bitucon Exim Private Limited • Ashoka Bitucon International Private Limited • Ashoka Infraways Private Limited • Ashoka Path Nirman (Nasik) Private Limited • Viva Highways Private Limited • Viva Infrastructure Private Limited • Ashoka-DSC Katni Bypass Road Private Limited • Ashoka Builders (Nasik) Private Limited • Ashoka Infrastructure Limited • Ashoka Vanrai Developers Private Limited • Jayaswals Ashoka Infrastructure Private Limited • Ashoka Universal Academy Private Limited • Ashoka Highways (Bhandara) Limited • Ashoka Highways (Durg) Limited • Jaora Nayagaon Toll Road Company Private Limited
Mr. Sunil B. Raisoni (S/o Mr. Bansilal Raisoni) *Executive Director*	47	Indian	• Ashoka Vanrai Developers Private Limited • Ashoka Infrastructure Limited

Name, Designation, Father's Name, Address, Occupation and Term	Age	Nationality	Other Directorships
Address: 8, Puja, Premnagar Pune 411 037 Maharashtra Occupation: Business Term: Liable to retire by rotation. DIN: 00296904			
Mr. Prakash Karnik (S/o: Mr. Yashwant Karnik) *Non Executive and Non-Independent Director* Address: 902, Glen Eagle G.D. Ambekar Marg Parel Mumbai 400 012 Maharashtra Occupation: Professional Term: Nominee of the IDFC PE II. DIN: 00019193	55	Indian	• Moser Baer Photo-Voltaic Limited • Moser Baer India Limited • Pyramid Finance Limited • Healthcare Global Enterprises Limited • Unitech Amusement Parks Limited • International Recreation Parks (P) Limited • SMMS Investments Private Limited • Delhi Assam Roadways Corporation Limited • Doshion Limited
Mr. Michael Pinto (S/o: Mr. Philip Pinto) *Independent Director* Address: 405, Shalaka Maharshi Karve Road Mumbai 400 021 Maharashtra Occupation: Professional Term: Liable to retire by rotation. DIN: 00021565	64	Indian	• IL&FS Limited • Gateway Distriparks Limited • Star Paper Mills Limited • Raffles Port Works
Mr. Milap R. Bhansali (S/o Mr. Sampat Raj Bhansali) *Independent Director* Address: 233 B, Jolly Maker 1	56	Indian	• MRB Credit & Leasing Limited • Monotona Tyres Limited • Batuni Technologies Private Limited

Name, Designation, Father's Name, Address, Occupation and Term	Age	Nationality	Other Directorships
Cuffe Parade Mumbai 400 005 Maharashtra Occupation:Business Term: Retires by rotation DIN: 00181897			
Mr. Anant D. Narain (S/o Mr. Brahmadev Narain) *Independent Director* Address: B-186 Sector 26 Noida 201 301 Uttar Pradesh Occupation: Service Term: Liable to retire by rotation. DIN: 00016113	68	Indian	• Intercontinental Consultants and Technocrats Private Limited
Mr. Sharad Abhyankar (S/o: Sharad Damodar Abhyankar) *Independent Director* Address: 303, Marvel Residency 3rd Floor, Nanda Patkar Road Vile Parle (E) Mumbai 400 057 Occupation: Lawyer Term: Liable to retire by rotation. DIN: 00108866	42	Indian	• Optimum Business Solutions Limited • Shri Dhoot Papeshwar Limited • Visen Industries Limited • The Global Institute for Financial and Educational Services India Private Limited

Brief Biographies

Mr. Ashok M. Katariya, aged 59 years, is the executive Chairman of the Company. He is a gold medalist in Bachelor of Engineering (B.E.) from COEP, Pune University, India. Mr. Katariya has previously worked with the Public Health Department in Maharashtra and Prabhakar Takle & Co. In 1975, he started the working as a contractor to the PWD, Maharashtra. Subsequently, he ventured into civil construction and infrastructure development. He is an active participant in the Institute of Engineers, Indian Concrete Institute, Indian Institute of Bridge Engineers, Builders Association of India and Construction Federation of India.

Mr. Satish D. Parakh, aged 49 years, is the Managing Director of the Company. He holds a B.E. degree in civil engineering. Mr. Parakh has been with the Ashoka Group since 1982 and has executed various industrial/residential and BOT projects. He has previously worked with Shapoorji Pallonji & Company and M/s Kanitkar-Kulkarni. He is a Member of Maharashtra Economic Development Council. He was also the chairman of the Institute of Engineers, Nasik in 2007.

Mr. Sunil B. Raisoni, aged 46 years, is an Executive Director of the Company. He holds a Diploma in civil engineering. Mr. Sunil B. Raisoni has an experience of over 26 years in the sector of civil engineering. Mr. Raisoni has been involved with execution of projects such as Mandve Bridge, Pune-Shirur Road Project and the Nagar-Karmala Road Project for Ashoka Buildcon Limited.

Mr. Prakash Y. Karnik, aged 55 years, is presently the Managing Director (Investment) with IDFC Private Equity Fund and has been nominated by IDFC Infrastructure Fund 2 on the Board. He holds a B. Tech degree in chemical engineering from the Indian Institute of Technology (IIT), Chennai. Mr. Prakash Karnik has previously worked as a General Manager at the Unit Trust of India (UTI), for 10 years. At UTI, Mr. Prakash Karnik was responsible for setting up the primary market division. He was also involved in setting up of a venture capital fund in 1987 on behalf of UTI. He is a member of the Listing Advisory Committee of the National Stock Exchange of India Limited.

Mr. Michael Pinto, aged 64 years, is an Independent Director on the Board of the Company. He holds a Masters degree in Public Administration. Mr. Michael Pinto is a retired IAS officer and has served in various public enterprises both at state and the centre. Mr. Michael Pinto's major assignments include being Chief Executive Officer of MIDC, Vice Chairman and Managing Director of MSRDC, Chairman and Managing Director of Handicrafts and Handlooms Export Corporation of India, Chairman of MSEB, Chairman Jawaharlal Nehru Port Trust, Member of the Economics Embassy of India, Paris and Secretary (Shipping) to the Government of India. Mr. Michael Pinto has also chaired the 12th Finance Commission of state of Maharashtra.

Mr. Milap R. Bhansali, aged 56 years, is an Independent Director on the Board of the Company. He is a Chartered Accountant by profession and has an experience of 32 years in managing chemicals and engineering industries. He has had experience in turning around sick industrial units to profit generating businesses. Mr. Milapraj Bhansali's key areas of operations include finance, marketing and general management.

Mr. Anant Deo Narain, aged 68 Years, is an Independent Director on the Board of the Company. He is a highways and bridge engineering expert. He has previously worked as the Director General (Road Development) and Additional Secretary, Ministry of Surface Transport, Government of India. Presently, Mr. Narain is an Exceutive Director of Intercontinental Consultants and Technocrats Pvt. Ltd. He has experience in planning, budgeting and public - private sector partnership for the development of highways. Mr. Narain has dealt with various issues including legal, fiscal and regulatory measures for the development of highways.

Mr. Sharad D. Abhyankar, aged 42 years, is an Independent Director on the Board of the Company. He is a solicitor and advocate by profession and is the founding partner of ANS Law Associates. Mr. Abhyankar has a Bachelor of Arts (Economics & Commerce) and a Master of Laws degree from Mumbai University. He is also a registered Patent and Trade Marks Attorney. Mr. Abhyankar has professional expertise in various branches of law including corporate laws, securities laws, project finance, telecom regulations, constitutional litigation and international commercial arbitrations. He has authored several articles on various legal subjects in Indian and international journals.

Remuneration of Directors

The remuneration of the following executive Directors is as per the terms of appointment contained below:

Agreement with Mr. Ashok Katariya, our Chairman

Under the terms of an agreement dated May 18, 2006 Mr. Ashok Katariya has been appointed as a whole time Director and Chairman with effect from April 1, 2006 for a term of three years. The remuneration payable to him with effect from April 1, 2006 which has been ratified by the Board of Directors at its meeting held on March 29, 2006 is provided below. The shareholders by way of their resolution dated May 16, 2006 have approved the overall limit within which the Board has fixed the remuneration to Mr. Ashok Katariya.

Fixed Compensation:	In accordance with the terms of the agreement dated May 18, 2006, Mr. Ashok Katariya is eligible for an annual increment of upto 20% of his basic pay. The basic salary payable to Mr. Ashok Katariya for fiscal 2008 aggregates to approximately Rs. 4.6 million.
Variable Compensation:	N.A.
Benefits and Payments:	• Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges not exceeding Rs. 15,000 per annum. • Reimbursement of all expenses incurred for self and family during leave whether in India/abroad not exceeding Rs. 15,000 per annum. • Reimbursement towards uniform and clothing not exceeding Rs. 50,000 per annum. • Bonus payment of Rs. 4,500 per annum. • Contributions to Provident Fund, Super-annuation or Annuity Fund. • Gratuity. • Encashment of leave in accordance with rules of the Company. • Provision of car for use of Company's business and telephone at residence. However, personal long distance calls and use of car for private purposes shall be billed by the Company.
Others:	N.A.

Agreement with Mr. Satish Parakh, our Managing Director

Under the terms of an agreement dated May 18, 2006 Mr. Satish Parakh has been appointed as Managing Director with effect from April 1, 2006 for a term of 3 years. The remuneration payable to him with effect from April 1, 2006 which has been ratified by the Board of Directors at its meeting held on March 29, 2006 is provided below. The shareholders by way of their resolution dated May 16, 2007 have approved the overall limit within which the Board has fixed the remuneration to Mr. Satish Parakh.

Fixed Compensation:	In accordance with the terms of the agreement dated May 18, 2006, Mr. Satish Parakh is eligible

	for an annual increment of upto 20% of his basic pay. The basic salary payable to Mr. Satish Parakh for fiscal 2008 aggregates approximately to Rs. 4.6 million.
Variable Compensation:	N.A.
Benefits and Payments:	• Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges not exceeding Rs. 15,000 per annum. • Reimbursement of all expenses incurred for self and family during leave whether in India/abroad not exceeding Rs. 15,000 per annum. • Children education allowance for an amount not exceeding Rs. 2,400 per annum. • Reimbursement towards uniform and clothing not exceeding Rs. 50,000 per annum. • Bonus payment of Rs. 4,500 per annum. • Contributions to Provident Fund, Super-annuation or Annuity Fund. • Gratuity. • Encashment of leave in accordance with rules of the Company. • Provision of car for use of Company's business and telephone at residence. However, personal long distance calls and use of car for private purposes shall be billed by the Company.
Others	N.A.

Notes:

- The aggregate of salary and perquisites in any one financial year payable to the whole-time Directors in any financial year shall not exceed the limits prescribed from time to time under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XII of the Companies Act, 1956;
- In the event any of the whole-time Director ceases to be a Director of the Company for any reason, such Director will cease to be a whole-time Director in terms of their agreement with the Company and such agreement will be terminated forthwith;
- The appointment of the wholetime Directors is subject to Section 283(1) of the Companies Act, 1956;
- Each of the whole-time Directors or the Company can terminate the agreements by giving three months notice to the other party.
- Each of the whole-time Directors shall be entitled to reimbursement of expenses actually and properly incurred by him for the businesses of the Company;
- Each of the whole-time Directors shall not be liable to retire by rotation at the Annual General Meeting so long as that Director continues to hold office;
- Each of the whole-time Director shall not be entitled to sitting fees for attending meeting of the Board of Directors or any committees, thereof.

Mr. Sunil B. Raisoni was appointed as an Additional Director on October 1, 2005 by a resolution of the Board of Directors. Mr. Sunil B. Raisoni was confirmed as a Director on September 30, 2006 in the Annual General Meeting of the Company. Mr. Sunil B. Raisoni does not draw any remuneration from the Company including sitting fees.

In relation to other Directors of the Company, apart from sitting fees and reimbursement of expenses, no remuneration is payable by the Company.

Interests of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them if any, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any under our Articles of Association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to the companies, 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.

Our executive Directors other than Mr. Sunil B. Raissoni receive remuneration from us. For further details see the above. Except as stated in the section titled "Related Party Transactions" on page 174 of this Draft Red Herring Prospectus and to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Corporate Governance

We have complied with the requirements of the applicable regulations, including the listing agreement with the Stock Exchanges and the SEBI Guidelines, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and listing agreement with Stock Exchanges and in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

The Board has eight Directors, out of which four are Independent Directors.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Mr. Milap R. Bhansali, Independent Director
2. Mr. Michael Pinto, Independent Director
3. Mr. Sharad Abhyankar, Independent Director
4. Mr. Prakash Karnik, Non-Executive Director; and
5. Mr. Satish D. Parakh, Managing Director

The Chairman of the Audit Committee is Mr. Milap R. Bhansali.

The Audit Committee was re-constituted by a meeting of the Board of Directors held on December 13, 2007. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

- Overseeing the Company's financial reporting process and the disclosure of financial information;
- Recommending the appointment and removal of external auditors and fixation of audit fees;

- Review with management the annual financial statements before submission to the Board; and
- Review with management, external and internal auditors, the adequacy of internal controls.

Compensation Committee

The members of the Compensation Committee are:

1. Mr. Anant D. Narain, Independent Director;
2. Mr. Milap R. Bhansali, Independent Director; and
3. Mr. Prakash Karnik, Non-Executive Director.

The Chairman of the Compensation Committee is Mr. Anant D. Narain.

The Compensation Committee was reconstituted by a meeting of the Board of Directors held on December 13, 2007. This committee looks in all matters pertaining to remuneration of whole time directors and the managing director.

Shareholders/Investors' Grievance cum Share Transfer Committee

The members of the Shareholders/Investors' Grievance Committee cum Share Transfer Committee are:

1. Mr. Sharad Abhyankar, Independent Director
2. Mr. Michael Pinto, Independent Director
3. Mr. Prakash Karnik, Non-Executive Director

The Chairman of the Investors'/Shareholders Grievance Committee is Mr. Sharad Abhyankar.

The Investors'/Shareholders Grievance Committee was reconstituted by a meeting of the Board of Directors held on December 13, 2007. This Committee is responsible for redressal of shareholders' and investors' complaints relating to transfer of shares, issue of duplicate/consolidated share certificates, allotment and listing of shares, review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, and non-receipt of dividends declared. It is also responsible for reviewing the process and mechanism of redressal of investor complaints and suggesting measures of improving the existing system of redressal of investor grievances. This Committee is also responsible for approval of transfer of Equity and preference shares including power to delegate the same to registrar and transfer agents.

Shareholding of the Directors

In terms of the Articles of Association, the Directors are not required to hold any qualification shares. The list of Directors holding Equity Shares and stock options as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of the Director	No. of options	Type of options	No. of equity shares
Ashok M. Katariya	Nil	N.A	3,891,755
Satish D. Parakh	Nil	N.A.	3,512,810
Sunil B. Raisoni	Nil	N.A.	1,977,213
Prakash Y. Karnik	Nil	N.A.	Nil
Milapraj S. Bhansali	Nil	N.A.	Nil
Michael Pinto	Nil	N.A.	Nil
Anant D. Narain	Nil	N.A.	Nil
Sharad Abhyankar	Nil	N.A.	Nil

Employee Stock Options Scheme

For details of employee stock option scheme and conversion of options granted to the directors and key managerial personnel see the section titled "Capital Structure" on page 22 of this Draft Red Herring Prospectus.

Borrowing Powers of our Board

In terms of our Articles, the Board may, from time to time, at its discretion by a resolution passed at its meeting raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. However, if the moneys sought to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) should exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board is required to obtain the consent of the Company in general meeting prior to undertaking such borrowing.

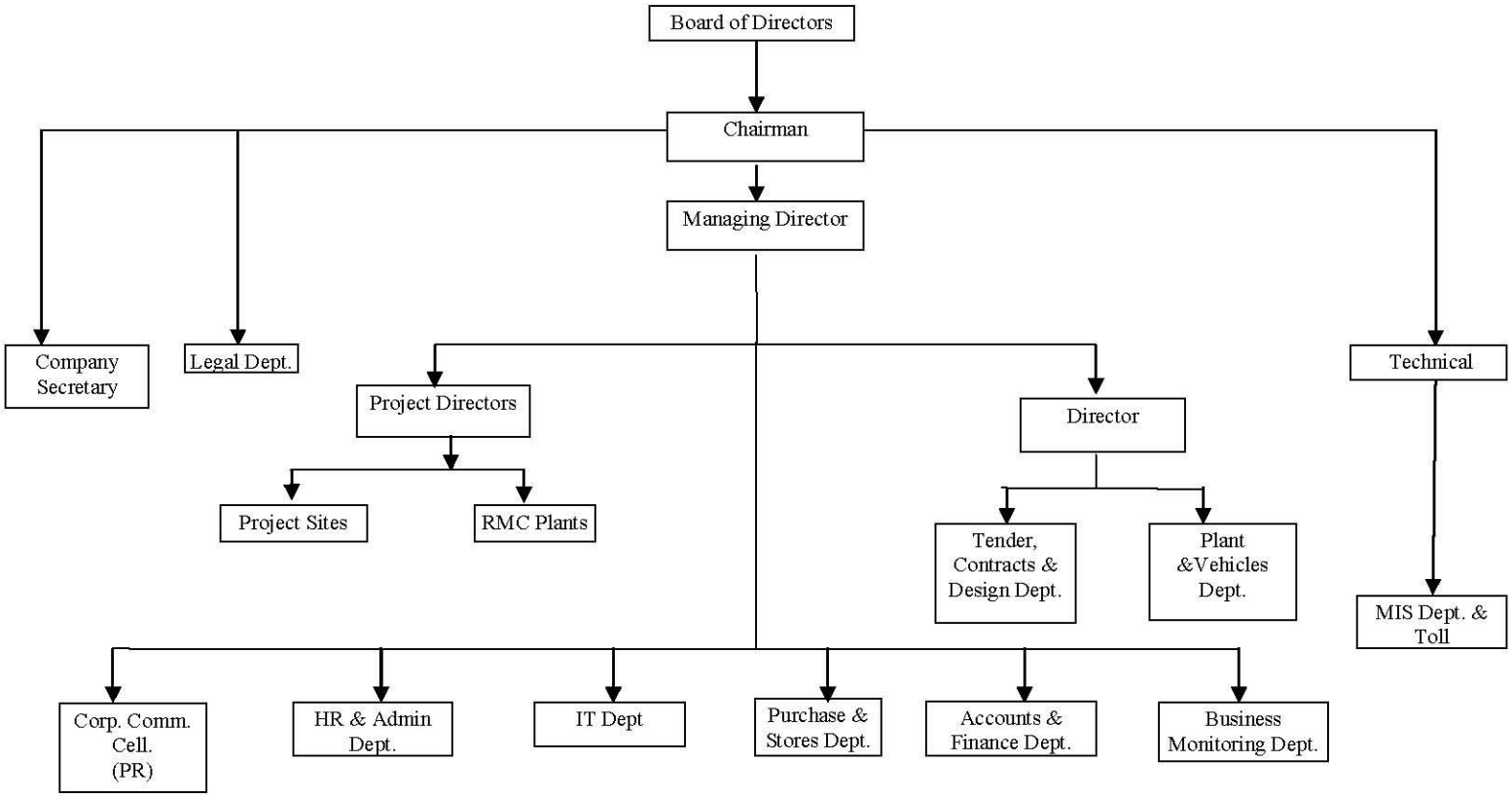
In this regard, our Company, in the EGM dated June 21, 2006 had resolved that pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board is authorised to borrow moneys (apart from temporary loans obtained from the bankers of the Company in ordinary course of business) from banks, financial institutions, NBFCs etc., from time to time, for the purpose of Company's business in excess of the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) provided that the total amount of such borrowings together with the amounts already borrowed and outstanding shall not exceed Rs. 15,000 million. Further, our Company in an EGM dated June 21, 2006 has authorised the Board to charge moveable and immoveable properties of the Company for securing loans, facilities from Banks for an increased limit of Rs. 12,000 million.

Changes in our Board of Directors in the last three years

The following changes have occurred in Board of Directors of the Company in the last three years:

Name of the Director	Date of Appointment / Re-appointment / Cessation	Reason
Sunil B. Raisoni	October 1, 2005	Appointed
Sachin Biyani	October 1, 2005	Resigned
Ramanlal B.Parakh	October 1, 2005	Resigned
Sanjay P. Londhe	October 1, 2005	Resigned
Rajendra C. Burad	October 1, 2005	Resigned
Anil S. Gandhi	October 1, 2005	Resigned
Dilipbhai D. Kothari	April 28, 2006	Resigned
Sanjay P. Londhe	June 30, 2006	Appointed
Prakash Y. Karnik	August 1, 2006	Appointed
Milapraj S. Bhansali	May 31, 2007	Appointed
Michael Pinto	May 31, 2007	Appointed
Narendra R. Shakadwipi	June 29, 2007	Resigned
Ashish A. Katariya	June 29, 2007	Resigned
Madhukar V. Patil	June 29, 2007	Resigned
Anant D. Narain	August 17, 2007	Appointed
Athar Shahab	October 3, 2007	Appointed
Athar Shahab	October 31, 2007	Resigned
Sharad Abhayankar	October 3, 2007	Appointed
Panemanglore S. Shenoy	December 13, 2007	Appointed
Panemanglore S. Shenoy	January 9, 2008	Resigned
Sanjay P. Londhe	January 9, 2008	Resigned

Organisation Structure



Key Managerial Personnel of our Company

For profile of Mr. Ashok M. Katariya, our Chairman, Mr. Satish D. Parakh, our Managing Director and Mr. Sunil B. Raisoni, our Directors, please refer to page 131 of this Draft Red Herring Prospectus under the section "Our Management". All the key managerial personnel mentioned below are permanent employees of the Company.

Mr. Sanjay P. Londhe, aged 44 years, is an Executive Director (non-Board) of the Company. He holds a Bachelors degree in civil engineering. Mr. Sanjay P. Londhe has over 20 years of experience in construction engineering. Mr. Sanjay P. Londhe has previously worked with Tata Consulting Engineers for 4 years before joining Ashoka Group in 1989. Mr. Sanjay P. Londhe supervised the construction of significant projects such as the Indore-Edelabad Road project and the Pune Shirur Road project. Mr. Sanjay P. Londhe was also involved in the RIDCOR project which was completed 95 days ahead of schedule. He has also supervised EPC projects such as the ECR project. He has been with the Ashoka Group for the last 16 years. He is presently involved in the execution of the Ahmednagar-Aurangabad Road, Chittorgarh projects and NH – 6 projects. During fiscal 2007, Mr. Londhe was paid a gross compensation of Rs. 2.68 million.

Mr. Dilipbhai D. Kothari aged 59 years holds degrees in B. E. (Metallurgy) and M. S. (U.S.A.). Mr. Kothari is designated as "Executive Director" (non-Board). Before joining Ashoka in 1993, he was involved in advertising, marketing and promotion of pharmaceutical products and ceramic chemicals, for a period of 17 years. In our company, he has handled the construction of Foot Over Bridges on Eastern Express Highway and now takes care of advertisement collection and coordination with prominent private and Governmant institutions in Mumbai. During fiscal 2007 Mr. Dilipbhai Kothari was paid a gross compensation of Rs. 0.79 million.

Mr. Shrikant P. Shukla, aged 40 years, is Vice President – Technical of the Company. He holds a degree in B.E. (Civil) from C.O.E.P. Mr. Shukla also holds a master's degree in business administration from C.O.E.P. He is also a qualified lead auditor for the ISO organisation and is currently pursuing his degree in law. Mr. Shukla has previously worked with M/s Avinash Malpani and Associates. He has approximately 18 years of technical and managerial expertise. Mr. Shukla supervises the technical aspects in relation to projects, tendering, project management and coordination. He also monitors customer correspondences as well as liasioning with customers, preparation and administration of various arbitration claims and general office administration. During fiscal 2007, Mr. Shukla was paid a gross compensation of Rs. 0.54 million.

Mr. Paresh C. Mehta, aged 45 years, is Vice President – Finance and Accounts of the Company. He is a Chartered Accountant by profession. Mr. Mehta has approximately 20 years of experience in the field of finance and accounting. He has previously worked with Catapharma Group. Mr. Mehta looks after accounting, taxation and financial matters of the Ashoka Group as well as financial aspects of projects and resource management initiatives of the Company. During fiscal 2007, Mr. Mehta was paid a gross compensation of Rs. 0.60 million.

Mr. Shyamsundar D. Joshi, aged 55 years, holds a degree in in B.E. Civil. Mr. Joshi previously worked with Shapoorji Pallonji & Co., Pune. He has around 32 years of experience in construction field. Mr. Joshi is currently designated as `Deputy General Manager' and responsible for execution of project activities. During fiscal 2007, Mr. Joshi was paid a gross compensation of Rs.0.52 million.

Mr. Pradeep Nayyar aged 46 years, holds a Diploma in Civil Engineering. Mr. Nayyar previously worked with Gayatri Projects Limited, Hyderabad. Mr. Nayyar has approximately 23 years of experience in roads, industrial, dams and housing projects works. Mr. Nayyar is currently designated as "Deputy General Manager (Projects)" and responsible for execution of Project activities. During fiscal 2007, Mr. Nayyar was paid a gross compensation of Rs. 0.37 million.

Mr. Deepak H. Bhagat, aged 52 years, holds B. Com and LL.B degrees. Mr. Bhagat was previously self-employed. Mr. Bhagat is currently designated as "Deputy General Manager (Legal)" and is responsible legal affairs of the Company. During fiscal 2007, Mr. Bhagat was paid a gross compensation of Rs. 0.25 million.

Mr. Suresh M. Wagh, aged 41 years holds a degree certificate in B.E. Civil. Mr. Wagh has previously worked with Jyoti Structures Limited in Nasik, Maharashtra. Mr. Wagh has approximately 17 years of experience in the construction sector. Mr. Wagh is currently designated as "Deputy General Manager – Technical." During fiscal 2007 Mr. Wagh was paid a gross compensation of Rs. 0.30 million.

Mr. Peeyush Jain, aged 31 years, is designated as DGM (Accounts & Finance). He graduated with B. Com. (Hons.) and is a Chartered Accountant. Mr. Peeyush Jain has previously worked with Bahubali Electronics Private Limited. He has about 8 years of varied experience and has practised as a Chartered Accountant for 3 years. During fiscal 2007, Mr. Peeyush Jain was paid a gross compensation of Rs. 0.38 million

Mr. Manoj A. Kulkarni, aged 36 years, is the Company Secretary. He holds a degree in B. Com. and is a qualified Company Secretary. Mr. Manoj Kulkarni has previously worked with Diamond Cables Limited. He has 11 years of relevant experience, out of which 6 years is on post-qualification. He is responsible for secretarial and compliance matters. During fiscal 2007, Mr. Manoj A. Kulkarni was paid a gross compensation of Rs. 0.21 million.

Mr. Omkar S. Bendre, aged 32 years holds a P.G. Diploma in Construction Management, as well as D.C.E, D.B.M, and D.Q.A. Mr. Bendre has previously worked with Larsen & Tourbo Limited (Engineering & Construction Division) Mumbai. Mr Bendre holds a Integrated Management System Certification, Redevelopment of QMS System, Development of Lab manual trained to more than 600 people in safety, Quality & /Envorinment. Mr. Bendre is currently designated as Management Representative. During fiscal 2007, Mr. Bendre was paid a gross compensation of Rs. 0.17 million.

Mr. Kamlesh N. Shah, aged 35, years is a Chartered Accountant. Mr. Shah has previously worked with Masibus Automation & Instrumentation Pvt. Ltd., Gandhinagar (Gujarat). He has approximately 10 years of experience in the field of accounts and audit. Mr. Shah is currently designated as Deputy General Manager (Accounts). Mr. Kamlesh N. Shah joined the Company on December 25, 2007. Consequently, he has not received any compensation for fiscal 2007.

Shareholding/ Interest of the Key Managerial Personnel of the Company and our Subsidiaries

The list of our Key Managerial Personnel holding Equity Shares and the number of Equity Shares held by each of them as of the date of this Draft Red Herring Prospectus is set forth below:

Name of the Key Managerial Personnel	**No. of equity shares held**	**No. of options**	**Type of options**
Sanjay P. Londhe	98,763	107,153	*Growth Option*s: 64,190 *Loyalty Options*: 42,963
Dilipbhai D. Kothari	Nil	13,484	*Growth Options :*10,520 *Loyalty Options:* 2,964
Shrikant P. Shukla	Nil	18,353	*Growth Options:* 11,230 *Loyalty Options:* 7,123
Paresh C. Mehta	Nil	14,073	*Growth Options:* 11,290 *LoyaltyOptions:* 2,783
Shyamsundar D. Joshi	Nil	8,981	*Growth Options:* 8,390 *Loyalty Options:* 591
Pradeep Nayyar	Nil	9,277	*Growth Options*: 83,90 *Loyalty Options*: 887

Name of the Key Managerial Personnel	No. of equity shares held	No. of options	Type of options
Deepak H. Bhagat	Nil	8,897	*Growth Options*: 5,960 *Loyalty Options*: 2,937
Suresh M. Wagh	Nil	8,839	*Growth Options:* 5,920 *Loyalty Options:* 2,929
Peeyush Jain	Nil	8,613	*Growth Options:* 7,550 *Loyalty Options:* 1,063
Manoj A. Kulkarni	Nil	2,057	*Growth Options:* 1,890 *Loyalty Options:* 167
Omakr S. Bendre	Nil	Nil	*Growth Options:* 2,840 *Loyalty Options:* 250
Kamlesh N. Shah	Nil	Nil	N.A.

Changes in Key Managerial Personnel
The following are the changes in our key managerial personnel over the last three years:

Name and Designation of the Key Managerial Personnel	Date of change	Reason
P.V. Tripathi *Company Secretary*	October 23, 2004	Resigned
N. Shaikh *Deputy General Manager (MIS)*	December 26, 2004	Resigned
A. Adke *General Manager (Projects)*	July 16, 2005	Appointed
N.J. Katariya *General Manager (Business Development)*	August 11, 2005	Resigned
Shyamsundar D. Joshi *Deputy General Manager (Projects)*	November 11, 2005	Appointed
A. Adke *General Manager (Projects)*	October 10, 2006	Resigned
Manoj A. Kulkarni *Company Secretary and Compliance Officer*	February 1, 2006	Appointed
A.S. Pawar *Deputy General Manager (Projects)*	March 28, 2006	Appointed
A.S. Pawar *Deputy General Manager (Projects)*	August 2, 2006	Resigned
Gopikrishna Gupta *Deputy General Manager (Accounts)*	September 9, 2006	Appointed
Rajendra Prasad Sharma *General Manager (Projects)*	November 11, 2006	Appointed
Omkar S. Bendre *Management Representative*	November 11, 2006	Appointed
Suresh M. Wagh *Deputy General Manager (Technical)*	April 1, 2007	Promotion
Peeyush Jain *Deputy General Manager (Accounts and Finance)*	April 1, 2007	Promotion
Surinder Pal Singh *Deputy General Manager (HR and Administration)*	November 30, 2007	Resigned
Gopikrishna Gupta *Deputy General Manager (Accounts)*	December 31, 2007	Resigned
Pradeep Goyal *Deputy General Manager(EQA)*	December 21, 2007	Resigned
Kamlesh N. Shah *Deputy General Manager (Accounts and Finance)*	December 25, 2007	Appointment

OUR PROMOTERS

Our Promoters are:

1. Mr. Ashok Motilal Katariya
2. Mr. Satish Dhondulal Parakh
3. Mr. Ashish Ashok Katariya
4. Mr. Aditya Satish Parakh
5. Ms. Shweta Ashok Katariya
6. Ashoka Bitucon Exim Private Limited

Our Individual Promoters

The details of our individual Promoters are as follows:

Mr. Ashok M. Katariya is the Chairman of our Company. He is a resident Indian national. For further details, see the section titled "Our Management" on page 127 of this Draft Red Herring Prospectus. His driving license number is MH-15/1992/177 - NSK. His passport number is E8397117. His voter identification number is MT/12/67/646979.

Mr. Satish D. Parakh is the Managing Director of our Company. He is a resident Indian national. For further details, see the section titled "Our Management" on page 127 of this Draft Red Herring Prospectus. His driving license number is 3538/NSK. His passport number is E8798036. His voter identification number is MP1267174593.

Mr. Ashish A. Katariya is a resident Indian national. His driving license number is 2084/96. His passport number is E8397272. His voter identification number has not yet been received.

Mr. Aditya S. Parakh is a resident Indian national. His driving license number is MH15/02/128496. His passport number is F6476298. His voter identification number has not yet been received.

Ms. Shweta A. Katariya is a resident Indian national. Her driving license number is MH15/01/94944. Her passport number is E8800780. Her voter identification number has not yet been received.

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of our individual Promoters, namely, Mr. Ashok Motilal Katariya, Mr. Satish Dhondulal Parakh, Mr. Ashish

Ashok Katariya, Mr. Aditya Satish Parakh and Ms. Shweta Ashok Katariya shall be submitted to the BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

Interests of Promoters and Common Pursuits

The aforementioned Promoters of our Company are interested to the extent of their shareholding in us. Further, our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them.

Further, our individual Promoters are also directors on the boards of certain Promoter Group entities and they may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities. For the payments that are made by our Company to certain Promoter Group entities, please refer to the section titled "Related Party Transactions" on page 174 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Further, except as disclosed below, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

Confirmations

Further, none of our Promoters has been declared as a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoters in the past or are pending against them.

Payment of benefits to our Promoters

Except as stated in the section titled "Auditor's Report on Stand-Alone Financial Information - Related Party Transactions" and "Auditor's Report on Consolidated Financial Information – Related Party Transactions" on pages 182 and 219 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters during the two years prior to the filing of this Draft Red Herring Prospectus.

Our Corporate Promoter

Ashoka Bitucon Exim Private Limited

Corporate Information

The company was incorporated on September 27, 1999. The main objects of the company are to purchase or otherwise acquire, manufacture, refine, treat, reduce, distill, blend, purify, pump, store, hold, transport, use, experiment with market, distribute, exchange, supply, sell and otherwise dispose of, import, export and trade and generally deal in any and all kinds of petroleum products including bitumen, tar, asphalt, oils and chemicals and any products, by-products and derivatives thereof.

Registered Office

The registered office of Ashoka Bitucon Exim Private Limited is located at:

Ashoka House
Ashoka Marg

Nashik
Maharashtra 422 011

Board of Directors

The directors of Ashoka Bitucon Exim Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh

Shareholding Pattern

The shareholding pattern of Ashoka Bitucon Exim Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Shobha S. Parakh	900	8.91
2.	Aditya S. Parakh	900	8.91
3.	Snehal S. Parakh	900	8.91
4.	Ashok M. Katariya	930	9.20
5.	Ashok M. Katariya (HUF)	925	9.16
6.	Asha A. Katariya	925	9.16
7.	Ashish A. Katariya	925	9.16
8.	Astha A. Katariya	925	9.16
9.	Shweta A. Katariya	925	9.16
10.	Satish D. Parakh	945	9.36
11.	Satish D. Parakh (HUF)	900	8.91

Financial Performance

Summary audited stand-alone financial statements of Ashoka Bitucon Exim Private Limited for the last three fiscal years is as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.19	0.10	0.10
Reserve and surplus	0.16	0.17	0.18
Sales and other income	0.00	0.10	4.70
Profit/ (Loss) after tax	0.01	(0.01)	(0.08)
Earning per share (EPS) Rs.	(0.97)	(0.99)	(8.34)
Net assets value (NA V) Rs.	25.54	26.51	27.50

We confirm that the Permanent Account Number, Bank Account Numbers, the Company Registration Number and the address of the Registrar of Companies where the corporate Promoter is registered shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus. Further, the corporate Promoter has not been declared as a willful defaulter by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by the corporate Promoter in the past or are pending against the corporate Promoter.

The corporate Promoter is interested to the extent of its shareholding in our Company. Except as stated otherwise in the section titled "Auditor's Report on Stand-Alone Financial Information - Related Party Transactions" and "Auditor's Report on Consolidated Financial Information – Related Party Transactions" on pages 182 and 219 of this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements or made any payment of benefits during the preceding two years from the date of this Draft Red Herring Prospectus in which the corporate Promoter is directly or indirectly interested and

no payments have been made to it in respect of the contracts, agreements or arrangements which are proposed to be made with it including the properties purchased by our Company other than in the normal course of business. For the payments that are made by our Company to the corporate Promoter, please refer to the section "Related Party Transactions" on page 174 of this Draft Red Herring Prospectus.

Further, except as disclosed in this Draft Red Herring Prospectus, our corporate Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by us.

OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons and companies are part of our Promoter group.

Relatives of Promoters

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

Name of the Person	Relationship
Ms. Asha A. Katariya	Wife of Mr. Ashok M. Katariya Mother of Mr. Ashish A. Katariya and Shweta A. Katariya
Mr. Dhondulal Parakh	Father of Mr. Satish D. Parakh
Ms. Gulabbai D. Parakh	Mother of Mr. Satish D. Parakh
Mrs. Shobha S. Parakh	Wife of Mr. Satish D. Parakh Mother of Mr. Aditya S. Parakh
Ms. Snehal M. Khatri	Daughter of Mr. Satish D. Parakh Sister of Mr. Aditya S. Parakh
Ms. Padmabai F. Pophaliya	Sister of Mr. Ashok M. Katariya
Ms. Leelabai K. Hiran	Sister of Mr. Ashok M. Katariya
Ms. Beena R. Lalwani	Sister of Mr. Satish D. Parakh
Ms. Astha A. Katariya	Wife of Mr. Ashish A. Katraiya
Mr. Ayush A. Katariya	Son of Ashish A. Katariya

Companies/Partnership Firms forming part of the Promoter Group

Companies forming part of the Promoter Group

Unless otherwise stated none of the companies forming part of the Promoter Group is a sick company under the meaning of SICA and none of them are under winding up. Further unless otherwise stated, all our Promoter group companies are unlisted companies and they not made any public issue of securities in the preceding three years.

1. Ashoka Buildwell and Developers Private Limited

Corporate Information

Ashoka Buildwell and Developers Private Limited was incorporated under the Companies Act on October 28, 1998. The company is engaged in the business of builders, masonry, general construction and contractors.

Registered Office

The registered office of Ashoka Buildwell and Developers Private Limited is located at:
"Ashoka House"
Ashoka Marg
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Buildwell and Developers Private Limited are:

1. Satish D. Parakh
2. Sanjay P. Londhe
3. Rajendra C. Burad

Shareholding Pattern

The shareholding pattern of Ashoka Buildwell and Developers Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashok M. Katariya	490	9.95
2.	Deepak M. Katariya	738	14.97
3.	Asha A. Katariya	490	9.95
4.	Ashish A. Katariya	490	9.95
5.	Shweta A. Katariya	470	9.54
6.	Padmabai F. Pophaliya	300	6.09
7.	Leelabai K. Hiran	300	6.09
8.	Ashok Motilal Katariya (HUF)	10	0.20
9.	Satish D. Parakh	492	9.99
10.	Shobha S. Parakh	236	4.79
11.	Gulabbai D. Parakh	300	6.09
12.	Beena R. Lalwani	300	6.09
13.	Aditya S. Parakh	150	3.05
14.	Snehal S. Parakh	150	3.05
15.	Kusumbhai C. Khivansara	10	0.20

Financial Information

The summary audited financial results of Ashoka Buildwell and Developers Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.49	0.49	0.49
Reserve and surplus	12.24	12.18	12.96
Sales and other income	0.26	0.01	2.31
Profit/ (Loss) after tax	0.06	(0.78)	0.37
Earning per share (EPS) (Rs.)*	12.58	(158.94)	74.75
Book Value per share (Rs.)*	2,585.18	2,572.60	2,731.54

* The face value per share is Rs. 100

2. Ashoka Construwell Private Limited

Corporate Information

Ashoka Construwell Private Limited was incorporated on June 17, 1983 under the Companies Act. The main objects of the company are to carry on the business of architects, engineers, assessors, designers, town planners, surveyors, valuers, contractors in all branches including civil, mechanical, electrical, aeronautical, automobile, water supply, sanitary and plumbing, air-conditioning and refrigeration, acoustics, transport systems .

Registered Office

The registered office of Ashoka Construwell Private Limited is located at:

"Ashoka House"
Ashoka Marg
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Construwell Private Limited are:

1. Ashok A. Katariya
2. Ramanlal B. Parakh
3. Narendra R. Shakadwipi

Shareholding Pattern

The shareholding pattern of Ashoka Construwell Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashish A. Katariya	210	9.77
2.	Ashok M. Katariya	200	9.30
3.	Asha A. Katariya	200	9.30
5.	Shweta A. Katariya	120	5.58
6.	Aruna R. Parakh	209	9.72
7.	Ramanlal B. Parakh	200	9.30
8.	Milind R. Parakh	170	7.91
9.	Sushil R. Parakh	160	7.44
10.	Ramanlal B. Parakh (HUF)	1	0.05
11.	Narendra R. Shakadwipi	210	9.77
12	Vimal N. Shakadwipi	210	9.77
13.	Nishant N. Shakadwipi	210	9.77
14	Vijay U. Chordiya	10	0.47
15.	Ashok U. Chordiya	10	0.47
16.	Jatanbai U. Chordiya	10	0.47
17.	Pratibha A. Chordiya	10	0.47
18.	Sanjog S. Jain	1	0.05
19.	Pravin B. Raisoni	1	0.05
20.	Sunil B. Raisoni	1	0.05
21.	Rajendra B. Raisoni	1	0.05
22.	Surekha P. Raisoni	1	0.05
23.	Vimalbai B. Raisoni	1	0.05
24.	Anjali S. Parakh	1	0.05
25.	Manisha P. Bagrecha	1	0.05
26.	Asha D. Singhvi	1	0.05
27.	Walchand K. Chopra	1	0.05

Financial Performance

The summary audited financial results of Ashoka Construwell Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.22	0.22	0.22
Reserve and surplus	0.00	0.00	0.00

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Sales and other income	6.93	17.92	18.56
Profit/ (Loss) after tax	0.81	(5.04)	(3.07)
Earning per share (EPS) (Rs.)*	376.87	(2,346.30)	(1,429.26)
Book value per share (Rs.)*	(4304.24)	(4,681.11)	(2,334.80)

* The face value per share is Rs. 100

3. Ashoka City Towers Constructions Private Limited

Corporate Information

Ashoka City Towers Constructions Private Limited was incorporated on February 14, 1996. The main objects of the company are to carry on the business of promoters, developers, builders, masonry and general construction contractors.

Registered Office

The registered office of Ashoka City Towers Constructions Private Limited is located at:

"Ashoka House"
Ashoka Marg,
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka City Towers Constructions Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Asha A. Katariya
4. Astha A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka City Towers Constructions Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashok M. Katariya	950	9.50
2.	Ashok Motilal Katariya (HUF)	950	9.50
3.	Asha A. Katariya	900	9.00
5.	Ashish A. Katariya	900	9.00
6.	Astha A. Katariya	900	9.00
7.	Shweta A. Katariya	900	9.00
8.	Satish D. Parakh	900	9.00
9.	Satish D. Parakh (HUF)	900	9.00
10.	Shobha S. Parakh	900	9.00
11.	Aditya S. Parakh	900	9.00
12	Snehal S. Parakh	900	9.00

Financial Performance

The summary audited financial results of Ashoka City Towers Constructions Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.11	0.11	0.12
Sales and other income	0.00	0.00	0.65
Profit/ (Loss) after tax	0.00	(0.01)	0.17
Earning per share (EPS) (Rs.)	0.00	(0.60)	17.0
Book value per share (Rs.)	21.14	21.14	21.67

4. Ashoka Deserts & Developers Private Limited

Corporate Information

Ashoka Deserts & Developers Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Registered Office

The registered office of Ashoka Deserts & Developers Private Limited is located at:

"Ashoka House"
Ashoka Marg,
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Deserts & Developers Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Asha A. Katariya
4. Astha A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka Deserts & Developers Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashok M. Katariya	950	9.5
2.	Ashok M. Katariya (HUF)	950	9.5
3.	Asha A. Katariya	900	9
4.	Ashish A. Katariya	900	9
5.	Shweta A. Katariya	900	9
6.	Astha A. Katariya	900	9
7.	Satish D. Parakh	900	9
8.	Satish Dhondulal Parakh (HUF)	900	9
9.	Shobha S. Parakh	900	9
10.	Aditya S. Parakh	900	9

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
11.	Snehal S. Parakh	900	9

Financial Performance

The summary audited financial results of Ashoka Deserts & Developers Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.66	0.66	0.43
Sales and other income	0.00	1.00	1.42
Profit/ (Loss) after tax	0.00	0.23	0.29
Earning per share (EPS) (Rs.)	0.13	23.24	28.75
Book Value per share (Rs.)	76.38	76.25	52.94

5. Ashoka Erectors Private Limited

Corporate Information

Ashoka Erectors Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Registered Office

The registered office of Ashoka Erectors Private Limited is located at:

"Ashoka House"
Ashoka Marg
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Erectors Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Asha A. Katariya
4. Astha A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka Erectors Private Limited, as on November 30, 2007 is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Shobha S. Parakh	900	9
2.	Aditya S. Parakh	900	9
3.	Snehal S. Parakh	900	9
4.	Ashok M. Katariya	950	9.50
5.	Ashok M. Katariya (HUF)	950	9.50
6.	Asha A. Katariya	900	9.00
7.	Ashish A. Katariya	900	9.00

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
8.	Astha A. Katariya	900	9.00
9.	Shweta A. Katariya	900	9.00
10.	Satish D. Parakh	900	9.00
11.	Satish Dhondulal Parakh (HUF)	900	9.00

Financial Performance

The summary audited financial results of Ashoka Erectors Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.00	0.00	0.06
Profit/ (Loss) after tax	0.00	(0.01)	0.03
Earning per share (EPS) (Rs.)	(0.36)	(0.78)	3.17
Book value per share (Rs.)	(34.33)	(33.97)	(33.27)

6. Ashoka Estate Developers Private Limited

Corporate Information

Ashoka Estate Developers Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Registered Office

The registered office of Ashoka Estate Developers Private Limited is located at:

"Ashoka House"
Ashoka Marg,
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Estate Developers Private Limited are:
1. Ashok M. Katariya
2. Satish D. Parakh
3. Asha A. Katariya
4. Astha A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka Estate Developers Private Limited, as on June 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Shobha S. Parakh	900	9
2.	Aditya S. Parakh	900	9
3.	Snehal S. Parakh	900	9
4.	Ashok M Katariya	950	9.50
5.	Ashok Motilal Katariya (HUF)	950	9.50

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
6.	Asha A. Katariya	900	9.00
7.	Ashish A. Katariya	900	9.00
8.	Astha A. Katariya	900	9.00
9.	Shweta A. Katariya	900	9.00
10.	Satish D. Parakh	900	9.00

Financial Performance

The summary audited financial results of Ashoka Estate Developers Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.20	0.20	0.21
Sales and other income	0.00	0.00	0.32
Profit/ (Loss) after tax	0.00	(0.01)	0.10
Earning per share (EPS) (Rs.)	(0.33)	(0.87)	10.20
Book value per share (Rs.)	29.40	29.74	30.53

7. Hotel Evening Inn Private Limited

Corporate Information

Hotel Evening Inn Private Limited was incorporated under the Companies Act on March 13, 1987. The main objects of the company are to be engaged in the business of hoteliers, hotel proprietors, hotel managers and operators, refreshment contractors and caterers, restaurant keepers, refreshment room proprietors, milk and snack bar proprietors, café and tavern proprietors, lodging house proprietors, ice-cream merchants, sweet-mint merchants, milk merchants, bakers, confectioners, professional merchants, licensed victuallers, wine and spirit merchants, blenders and bottlers.

Registered Office

The registered office of Hotel Evening Inn Private Limited is located at:

"Ashoka House"
Ashoka Marg,
Nasik 422 011
Maharashtra

Board of Directors

The directors of Hotel Evening Inn Private Limited are:

1. Satish D. Parakh
2. Asha A. Katariya

Shareholding Pattern

The shareholding pattern of Hotel Evening Inn Private Limited as on November 30, 2007 is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Satish Dhondulal Parakh (HUF)	273	5.47
2.	Shobha S. Parakh	475	9.51

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
3.	Aditya S. Parakh	475	9.51
4.	Snehal S. Parakh	475	9.51
5.	Deepak M. Katariya	281	5.64
6.	Ashok M. Katariya	450	9.01
7.	Ashok Motilal Katariya (HUF)	450	9.01
8.	Asha A. Katariya	450	9.01
9	Ashish A. Katariya	450	9.01
10.	Astha A. Katariya	450	9.01
11.	Shweta A. Katariya	289	5.80
12.	Satish D. Parakh	475	9.51

Financial Performance

The summary audited financial results of Hotel Evening Inn Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.50	0.50	0.50
Reserve and surplus	0.41	0.43	0.45
Sales and other income	0.00	0.00	0.00
Profit/ (Loss) after tax	(0.02)	(0.02)	0.00
Earning per share (EPS) (Rs.)	(3.55)	(3.77)	(0.83)
Book value per share (Rs.)	183.03	186.58	190.36

8. Ashoka Housing Constructions Private Limited

Corporate Information

Ashoka Housing Constructions Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Registered Office

The registered office of Ashoka Housing Constructions Private Limited is located at:

"Ashoka House"
Ashoka Marg,
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Housing Constructions Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Asha A. Katariya
4. Astha A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka Housing Constructions Private Limited as on November 30, 2007 is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Shobha S. Parakh	900	9
2.	Aditya S. Parakh	900	9
3	Snehal S. Parakh	900	9
4.	Ashok M. Katariya	950	9.50
5.	Ashok Motilal Katariya (HUF)	950	9.50
6.	Asha A. Katariya	900	9.00
7.	Ashish A. Katariya	900	9.00
8.	Astha A. Katariya	900	9.00
9.	Shweta A. Katariya	900	9.00
10	Satish D. Parakh	900	9.00
11.	Satish Dhondulal Parakh (HUF)	900	9.00

Financial Performance

The summary audited financial results of Ashoka Housing Constructions Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.00	0.00	0.65
Profit/ (Loss) after tax	0.00	(0.01)	0.30
Earning per share (EPS) (Rs.)	(0.40)	(0.70)	30.37
Book value per share (Rs.)	(28.71)	(28.31)	(27.68)

9. Ashoka Nirmiti Private Limited

Corporate Information

Ashoka Nirmiti Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Registered Office

The registered office of Ashoka Nirmiti Private Limited is located at:

"Ashoka House"
Ashoka Marg,
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Nirmiti Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Asha A. Katariya
4. Astha A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka Nirmiti Private Limited, as on November 30, 2007 is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Shobha S. Parakh	900	9
2	Aditya S. Parakh	900	9
3.	Snehal S. Parakh	900	9
4.	Ashok M. Katariya	950	9.50
5.	Ashok Motilal Katariya (HUF)	950	9.50
6.	Asha A. Katariya	950	9.50
7.	Ashish A. Katariya	950	9.50
8.	Astha A. Katariya	750	7.50
9.	Shweta A. Katariya	950	9.50
10.	Satish D. Parakh	900	9.00
11.	Satish Dhondulal Parakh (HUF)	900	9.00

Financial Performance

The summary audited financial results of Ashoka Nirmiti Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Paid up Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.00	0.00	0.00
Profit/ (Loss) after tax	(0.12)	(0.01)	(0.01)
Earning per share (EPS) (Rs.)	(12.50)	(0.89)	(1.49)
Book value per share (Rs.)	(26.72)	(14.30)	(13.49)

10. Ashoka Premises Private Limited

Corporate Information

Ashoka Premises Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Registered Office

The registered office of Ashoka Premises Private Limited is located at:

"Ashoka House"
Ashoka Marg,
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Premises Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Asha A. Katariya

4. Astha A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka Premises Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Astha A. Katariya	750	7.5
2.	Satish D. Parakh	900	9
3.	Satish Dhondulal Parakh (HUF)	900	9
4.	Shobha S. Parakh	900	9
5.	Aditya S. Parakh	900	9
6.	Snehal S. Parakh	900	9
7.	Shweta A. Katariya	950	9.50
8.	Ashok M. Katariya	950	9.50
9.	Ashok Motilal Katariya (HUF)	950	9.50
10	Asha A. Katariya	950	9.50
11.	Ashish Ashok Katariya	950	9.50

Financial Performance

The summary audited financial results of Ashoka Premises Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.00	0.00	0.00
Profit/ (loss) after tax	(0.12)	(0.01)	(0.02)
Earning per share (EPS) (Rs.)	(12.50)	(0.94)	(1.52)
Book value per share (Rs.)	(16.32)	(3.89)	(3.04)

11. Ashoka Promoters Private Limited

Corporate Information

Ashoka Promoters Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Registered Office

The registered office of Ashoka Promoters Private Limited is located at:
"Ashoka House"
Ashoka Marg
Nasik 422 011
Maharashtra

Board of Directors

The directors of the Ashoka Promoters Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh

3. Asha A. Katariya
4. Astha A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka Promoters Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Shobha S. Parakh	900	9
2.	Aditya S. Parakh	900	9
3.	Snehal S. Parakh	900	9
4.	Ashok M. Katariya	970	9.70
5.	Ashok Motilal Katariya (HUF)	950	9.50
6.	Asha A. Katariya	950	9.50
7.	Ashish A. Katariya	950	9.50
8.	Astha A. Katariya	730	7.30
9.	Shweta A. Katariya	950	9.50
10	Satish D. Parakh	900	9.00
11.	Satish Dhondulal Parakh (HUF)	900	9.00

Financial Performance

The summary audited financial results of Ashoka Promoters Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.00	0.00	0.00
Profit/ (Loss) after tax	(0.12)	(0.01)	(0.02)
Earning per share (EPS) (Rs.)	(12.50)	(0.95)	(1.50)
Book value per share (Rs.)	(17.60)	(5.18)	(4.30)

12. Ashoka Shilp Akruti Private Limited

Corporate Information

Ashoka Shilp Akruti Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Registered Office

The registered office of Ashoka Shilp Akruti Private Limited is located at:

"Ashoka House"
Ashoka Marg
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Shilp Akruti Private Limited are:
1. Ashok M. Katariya

2. Satish D. Parakh
3. Asha A. Katariya
4. Astha A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka Shilp Akruti Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Shobha S. Parakh	900	9
2.	Aditya S. Parakh	900	9
3.	Snehal S. Parakh	900	9
4.	Ashok M. Katariya	950	9.50
5.	Ashok Motilal Katariya (HUF)	950	9.50
6.	Asha A. Katariya	900	9.00
7.	Ashish A. Katariya	900	9.00
8.	Astha A. Katariya	900	9.00
9.	Shweta A. Katariya	900	9.00
10.	Satish D. Parakh	900	9.00
11.	Satish Dhondulal Parakh (HUF)	900	9.00

Financial Performance

The summary audited stand-alone financial results of Ashoka Shilp Akruti Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.00	0.00	0.65
Profit/ (Loss) after tax	0.00	(0.01)	0.26
Earning per share (EPS) (Rs.)	(0.45)	(0.76)	25.81
Book value per share (Rs.)	(1.32)	(0.88)	(0.19)

13. Ashoka Vastu Akruti Private Limited

Corporate Information

Ashoka Vastu Akruti Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Registered Office

The registered office of Ashoka Vastu Akruti Private Limited is located at:
"Ashoka House"
Ashoka Marg
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Vastu Akruti Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Asha A. Katariya
4. Astha A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka Vastu Akruti Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashok M. Katariya	5,490	54.90
2.	Asha A. Katariya	4,500	45.00
3.	Satish D. Parakh	10	0.10

Financial Performance

The summary audited stand-alone financial results of Ashoka Vastu Akruti Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.01	0.01	0.01
Profit/ (Loss) after tax	0.00	(0.01)	0.00
Earning per share (EPS) (Rs.)	0.42	(0.53)	0.24
Book value per share (Rs.)	8.22	7.80	8.25

14. Ashoka Vastukala Nirman Private Limited

Corporate Information

Ashoka Vastukala Nirman Private Limited was incorporated under the Companies Act on February 14, 1996. The company is engaged in the business of promoters, developers, builders, masonry and general construction contractors.

Registered Office

The registered office of Ashoka Vastukala Nirman Private Limited is located at:

"Ashoka House"
Ashoka Marg
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Vastukala Nirman Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Asha A. Katariya
4. Astha A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka Vastukala Nirman Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Shobha S. Parakh	900	9
2.	Aditya S. Parakh	900	9
3.	Snehal S. Parakh	900	9
4.	Ashok M. Katariya	950	9.50
5.	Ashok M. Katariya (HUF)	950	9.50
6.	Asha Ashok Katariya	900	9.00
7.	Ashish Ashok Katariya	900	9.00
8.	Astha Ashish Katariya	900	9.00
9.	Shweta Ashok Katariya	900	9.00
10.	Satish Dhondulal Parakh	900	9.00
11.	Satish Dhondulal Parakh (HUF)	900	9.00

Financial Performance

The summary audited stand-alone financial results of Ashoka Vastukala Nirman Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.21	0.22	0.22
Sales and other income	0.00	0.00	1.02
Profit/ (Loss) after tax	0.00	(0.01)	0.28
Earning per share (EPS) (Rs.)	(0.19)	(0.59)	27.78
Book value per share (Rs.)	31.40	31.59	32.10

15. A-One Tiles Private Limited

Corporate Information

A-One Tiles Private Limited was incorporated under the Companies Act on February 5, 1988. The main objects of the company are to be engaged in the business of manufacturing, designing, fabricating, refining, treating, processing, buying, selling, importing, exporting and otherwise dealing in all kinds of tiles including mosaic cement tiles, marbles, kotah, kadappa, granite, tandur and other stones, ceramic wares, porcelain earthen wares, stone wares, sanitary wares, insulators, fibre bricks, fire clay, reinforced cement products and other minerals and any other products similar to and required for the aforesaid products.

Registered Office

The registered office of A-One Tiles Private Limited is located at:

"Ashoka House"
Ashoka Marg
Nasik 422 011
Maharashtra

Board of Directors

The directors of A-One Tiles Private Limited are:

1. Ashok M. Katariya
2. Asha A. Katariya

Shareholding Pattern

The shareholding pattern of A-One Tiles Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashok M. Katariya	352	35.20
2.	Asha A. Katariya	378	37.80
3.	Padmabai F. Pofaliya	120	12.00
4	Leelabai K. Hiran	130	13.004
5.	Kiran M. Katariya	10	1.00
6.	Ramesh S. Katariya	10	1.00

Financial Performance

The summary audited stand-alone financial results of A-One Tiles Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars*	Fiscal 2005	Fiscal 2004	Fiscal 2003
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.63	0.63	0.56
Sales and other income	0.00	0.15	0.01
Profit/ (Loss) after tax	0.00	0.07	0.00
Earning per share (EPS) (Rs.)**	(3.86)	71.68	(3.35)
Book value per share (Rs.)**	731.32	735.18	663.49

*The summary financial information for fiscal 2006 and fiscal 2007 are not yet available. The summary financial information these two years will be updated in the Red Herring Prospectus before the same is filed with the RoC.
** The face value per share is Rs. 100

16. Ashoka Bitucon International Private Limited

Corporate Information

Ashoka Bitucon International Private Limited was incorporated under the Companies Act on September 27, 1999. The main objects of the company are to be engaged in the business of purchase or otherwise acquire, manufacture, refine, treat, reduce, distill, blend, purify, pump, store, hold, transport, use, experiment with market, distribute, exchange, supply, sell and otherwise dispose of, import, export & trade & generally deal in any and all kinds of petroleum products including bitumen, tar, asphalt, oils and chemicals and any products, by-products and derivatives thereof.

Registered Office

The registered office of Ashoka Bitucon International Private Limited is located at:

"Ashoka House"
Ashoka Marg
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Bitucon International Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Astha A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka Bitucon International Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Shobha S. Parakh	900	9
2.	Aditya S. Parakh	900	9
3.	Satish D. Parakh	900	9
4.	Satish Dhondulal Parakh (HUF)	900	9.00
5.	Snehal S. Parakh	900	9.00
6.	Ashok M. Katariya	876	8.75
7.	Ashok Motilal Katariya (HUF)	925	9.25
8.	Asha A. Katariya	925	9.25
9.	Ashish A. Katariya	925	9.25
10.	Astha A. Katariya	925	9.25
11.	Shweta A. Katariya	925	9.25

Financial Performance

The summary audited stand-alone financial results of Ashoka Bitucon International Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	42.46	42.49	42.48
Sales and other income	0.01	0.39	0.53
Profit/ (Loss) after tax	0.03	0.01	0.02
Earning per share (EPS) (Rs.)	(2.90)	0.62	2.36
Book value per share (Rs.)	25.66	26.51	27.50

17. Ashoka Path Nirman (Nasik) Private Limited

Corporate Information

Ashoka Path Nirman (Nasik) Private Limited was incorporated under the Companies Act on August 10, 2001. The main objects of the company are to be engaged in the business to build, erect, construct, operate on Build-Own-Lease-Transfer (BOLT) basis, repair, execute, develop infrastructural project including roadways, bridges, dams, docks, harbours, canals or any kind of work for and on behalf of Government, semi-government, NGOs or bodies corporate or individuals.

Registered Office

The registered office of Ashoka Path Nirman (Nasik) Private Limited is at:

"Ashoka House"
Ashoka Marg
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Path Nirman (Nasik) Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh

Shareholding Pattern

The shareholding pattern of Ashoka Path Nirman (Nasik) Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Shobha S. Parakh	975	9.75
2.	Aditya S. Parakh	975	9.75
3.	Satish D. Parakh	975	9.75
4.	Satish Dhondulal Parakh (HUF)	975	9.75
5.	Snehal S. Parakh	1,100	11.00
6.	Ashok M. Katariya	850	8.50
7.	Ashok Motilal Katariya (HUF)	850	8.50
8.	Asha A. Katariya	850	8.50
9.	Ashish A. Katariya	850	8.50
10.	Astha A. Katariya	850	8.50
11.	Shweta A. Katariya	750	7.50

Financial Performance

The summary audited stand-alone financial results of Ashoka Path Nirman (Nasik) Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.10	0.10	0.10
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.00	0.00	0.00
Profit/ (Loss) after tax	0.00	(0.01)	0.00
Earning per share (EPS) (Rs.)	0.48	(1.23)	(0.18)
Book value per share (Rs.)	7.32	7.73	8.84

18. Ashoka Builders (Nasik) Private Limited

Corporate Information

Ashoka Builders (Nasik) Private Limited was incorporated under the Companies Act on July 7, 1985. The company is engaged in the business of builders, contractors, dealers in and manufacturers of prefabricated and precast houses, buildings and erection.

Registered Office

The registered office of Ashoka Builders (Nasik) Private Limited is located at:

"Ashoka House"
Ashoka Marg
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Builders (Nasik) Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Ashish A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka Builders (Nasik) Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashok Motilal Katariya (HUF)	1,900	9.50
2.	Ashish Ashok Kataria	1,700	8.50
3.	Ashok Motilal Katariya	1,650	8.25
4.	Shweta Ashok Katariya	1,650	8.25
5.	Asha Ashok Katariya	1,600	8.00
6.	Kantilal Hemraj Hiran	500	2.50
7.	Prakash Hemraj Hiran	250	1.25
8.	Subhash Hemraj Hiran	250	1.25
9.	A-One Tiles Pvt. Ltd.	250	1.25
10.	Sunil Bansilal Raisoni	1,900	9.50
11.	Kalpana Sunil Raisoni	1,700	8.50
12.	Sapana Rajendra Raisoni	1,648	8.24
13.	Rajendra Bansilal Raisoni	1,500	7.50
14.	Sagar Sunil Raisoni	1,500	7.50
15.	Suhas Khushalchand Lunkad	500	2.50
16.	Ranjana Suhas Lunkad	300	1.50
17.	Virbala Milind Lunkad	300	1.50
18.	Prakash Nemichand Kothari	250	1.25
19.	Vilas Nemichand Kothari	250	1.25
20.	Jyoti Deepak Bhatevara	250	1.25
21.	Sushama Sanjay Lunkad	150	0.75
22.	Kantilal Veerchand Bhandari	1	0.01
23.	Kunal Prakash Chandak	1	0.01
	TOTAL	**20,000**	**100**

Financial Performance

The summary audited stand-alone financial results of Ashoka Builders (Nasik) Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	2.00	2.00	2.00
Reserve and surplus	45.69	33.40	41.15
Sales and other income	44.38	134.03	379.73
Profit/ (Loss) after tax	12.28	(7.75)	(16.81)
Earning per share (EPS) (Rs.)	614.19	(387.48)	(840.71)
Book value per share (Rs.)	1414.11	799.91	1,187.40

19. Ashoka Vanrai Developments Private Limited

Corporate Information

Ashoka Vanrai Developments Private Limited was incorporated under the Companies Act on January 18, 1994. The company is engaged in the business of acquiring properties by purchase or lease or on contracts of development or in any other manner and to develop the same in or use the same for forestries, nurseries, grasses, shrubs, medicinal, pharmaceutical and aromatic plants, forest houses.

Registered Office

The registered office of Ashoka Vanrai Developments Private Limited is located at:

"Ashoka Arch"
E-38/29, Market Yard
Gultekdi,
Pune 411 037
Maharashtra

Board of Directors

The directors of Ashoka Vanrai Developments Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Sunil B. Raisoni
4. Rajendra B. Raisoni
5. Praveen B. Raisoni

Shareholding Pattern

The shareholding pattern of Ashoka Vanrai Developments Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashok Motilal Katariya (HUF)	1,800	9.00
2.	Ashok Motilal Katariya	1,800	9.00
3.	Asha Ashok Katariya	1,800	9.00
4.	Ashish Ashok Kataria	1,800	9.00
5.	Shweta Ashok Katariya	1,800	9.00
6.	Satish Dhondulal Parakh (HUF)	900	4.50
7.	Satish Dhondulal Parakh	900	4.50
8.	Shobha Satish Parakh	900	4.50
9.	Snehal Satish Parakh	900	4.50
10.	Aditya Satish Parakh	900	4.50
11.	Sagar Sunil Raisoni	1,750	8.75
12.	Kalpana Sunil Raisoni	1,749	8.75
13.	Rajendra Bansilal Raisoni	1,500	7.50
14.	Sunil Bansilal Raisoni	1,500	7.50
15.	Sharad Mohanlal Bhatewara	1	0.01

Financial Performance

The summary audited stand-alone financial results of Ashoka Vanrai Developments Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Share Capital	0.20	0.20	0.20
Reserve and surplus	0.00	0.00	0.00
Sales and other income	0.02	0.04	0.04
Profit/ (Loss) after tax	0.01	0.02	0.02
Earning per share (EPS) (Rs.)	0.44	1.07	1.07
Book value per share (Rs.)	(55.29)	(55.73)	(56.36)

20. Ashoka Universal Academy Private Limited

Corporate Information

Ashoka Universal Academy Private Limited was incorporated under the Companies Act on May 16, 2005. The company is engaged in the business to promote, set up, manage, operate, establish, support, administer and aid educational institutions including nursery, primary, secondary and higher secondary schools, graduation and post graduation in any language for students, support schools, pathshalas, colleges, universities, vidyapeeths and educational research institutions and for advancement of physical sports and social education to students.

Registered Office

The registered office of Ashoka Universal Academy Private Limited is located at:

"Ashoka House"
Ashoka Marg
Nasik 422 011
Maharashtra

Board of Directors

The directors of Ashoka Universal Academy Private Limited are:

1. Ashok M. Katariya
2. Satish D. Parakh
3. Narendra R. Shakadwipi
4. Astha A. Katariya

Shareholding Pattern

The shareholding pattern of Ashoka Universal Academy Private Limited, as on November 30, 2007, is:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
1.	Ashok M. Katariya	950	9.50
2.	Ashok Motilal Katariya (HUF)	950	9.50
3.	Asha A. Katariya	900	9.00
4.	Ashish A. Katariya	900	9.00
5.	Astha A. Katariya	900	9.00

Sr. No.	Name of the shareholder	No. of equity shares	Percentage
6.	Shweta A. Katariya	900	9.00
7.	Satish D. Parakh	450	4.50
8.	Satish Dhondulal Parakh (HUF)	450	4.50
9.	Shobha S. Parakh	450	4.5
10.	Aditya S. Parakh	450	4.5
11.	Snehal S. Parakh	450	4.5
12.	Narendra R. Shakadwipi	750	7.5
13.	Vimal N. Shakadwipi	750	7.5
14.	Nishant N. Shakadwipi	750	7.5

Financial Performance

The summary audited stand-alone financial results of Ashoka Universal Academy Private Limited for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005*
Equity Share Capital	0.10	0.10	N.A.
Reserve and surplus	0.00	Nil	N.A.
Sales and other income	0.00	Nil	N.A.
Profit/ (Loss) after tax	(0.03)	Nil	N.A.
Earning per share (EPS) (Rs.)	(2.66)	Nil	N.A.
Book value per share (Rs.)	7.33	(2.30)	N.A.

*The company was incorporated on May 16, 2005

Partnerships forming part of Promoter Group

1. Ashoka Engineering Company

Corporate Information

Ashoka Engineering Company was formed as a partnership firm on February 1, 1996. This is a registered partnership firm under the Indian Partnership Act with registration no. MA-14558. The partnership was registered on April 2, 1996. This partnership is presently engaged in the business of promoters, masonry, developers, builders and general construction contractors.

The profit/loss sharing ratio of Ashoka Engineering Company is as follows:

Sr. No.	Name of the partner	Profit/Loss (%)
1.	Satish D. Parakh	45
2.	Ashok M. Katariya	30
3.	Ashish A. Katariya	25

Financial Performance

The audited financial results of Ashoka Engineering Company for the last three fiscal years are as follows:

(In Rs. million)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Capital	(4.38)	10.62	4.48
Reserves and Surplus	N.A.	N.A.	N.A.
Income	21.16	51.81	59.93
Expenditure	16.63	44.91	58.32
Profit/(Loss) After Tax	2.79	6.46	(1.35)

2. Shubham Developers

Corporate Information

Shubham Developers was formed as a partnership firm on May 5, 1998. This partnership is presently engaged in the business of giving on hire construction equipment and vehicles.

The profit/loss sharing ratio of Shubham Developers is as follows:

Sr. No.	Name of the partner	Profit/Loss (%)
1.	Ashok M. Katariya	55
2.	Satish D. Parakh	45

Financial Performance

The audited financial results of Shubham Developers for the last three fiscal years are as follows:

(In Rs. million)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Capital	2.64	9.28	9.26
Reserves and Surplus	N.A.	N.A.	N.A.
Income	0.00	0.15	37.17
Expenditure	0.01	0.00	29.04
Profit/(Loss) After Tax	(0.01)	0.01	4.43

3. A.P. Equipments & Co.

Corporate Information

A.P. Equipments & Co. was formed as a partnership firm on December 2, 1995. This is a registered partnership firm under the Indian Partnership Act with registration no. MA-14372. The partnership was registered on February 16, 1996. This partnership is presently engaged in the business of giving on hire construction equipment ad vehicles.

The profit/loss sharing ratio of A.P. Equipments & Co. is as follows:

Sr. No.	Name of the partner	Profit/Loss (%)
1.	Ashish A. Katariya	20
2.	Asha A. Katariya	15
3.	Shobha S. Parakh	15
4.	Ashok M. Katariya (HUF)	10
5.	Shweta A. Katariya	10
6.	Satish D. Parakh (HUF)	10
7.	Aditya S. Parakh	10
8.	Snehal S. Parakh	10

Financial Performance

The audited financial results of A.P. Equipments & Co. for the last three fiscal years are as follows:

(In Rs. million)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Capital	1.17	15.44	10.40

Reserves and Surplus	0.00	N.A.	N.A.
Income	0.00	0.01	10.99
Expenditure	0.02	0.02	8.84
Profit/(Loss) After Tax	(0.02)	(0.01)	1.16

4. Ashoka Con Creations

Corporate Information

Ashoka Con Creations was formed as a partnership firm on November 6, 1996. This is a registered partnership firm under the Indian Partnership Act with registration no. MA-15811. The partnership was registered on February 24, 1997. This partnership is presently engaged in the business of promoters, masonry, developers, builders and general construction contractors.

The profit/loss sharing ratio of Ashoka Con Creations is as follows:

Sr. No.	Name of the partner	Profit/Loss (%)
1.	Ashok M. Katariya	25
2.	Satish D. Parakh	25
3.	Shobha S. Parakh	20
4.	Asha A. Katariya	15
5.	Ashish A. Katariya	15

Financial Performance

The audited financial results of Ashoka Con Creations for the last three fiscal years are as follows:

(Rs. In million)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Capital	0.05	0.31	0.05
Reserves and Surplus	N.A.	N.A.	N.A.
Income	0.00	0.00	0.35
Expenditure	0.00	0.02	0.34
Profit/(Loss) After Tax	0.00	(0.02)	0.01

5. Ashoka Builders and Developers

Corporate Information

Ashoka Builders and Developers was formed as a partnership firm on June 25, 1995. This is a registered partnership firm under the Indian Partnership Act with registration no. MA-13909. The partnership was registered on October 10, 1996. This partnership is presently engaged in the business of promoters, developers, builders and general construction contractors.

The profit/loss sharing ratio of Ashoka Builders and Developers is as follows:

Sr. No.	Name of the partner	Profit (%)	Loss (%)
1.	Ashok M. Katariya (HUF)	20	20
2.	Shobha S. Parakh	20	30
3.	Ashish A. Katariya	15	15
4.	Asha A. Katariya	15	15
5.	Satish D. Parakh	10	10
6.	Aditya S. Parakh	10	-
7.	Shweta A. Katariya	5	5
8.	Snehal S. Parakh	5	5

Financial Performance

The audited financial results of Ashoka Builders and Developers for the last three fiscal years are as follows:

(In Rs. million)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Capital	0.04	0.04	0.04
Reserves and Surplus	N.A.	N.A.	N.A.
Income	24.71	0.79	7.22
Expenditure	25.93	1.95	11.70
Profit/(Loss) After Tax	(1.22)	(1.16)	(4.47)

6. Ashoka E-Tech

Corporate Information

Ashoka E-Tech was formed as a partnership firm on April 1, 1999. This is a registered partnership firm under the Indian Partnership Act with registration no. MPA-39465. The partnership was registered on July 20, 1999. This partnership is presently engaged in the business of constructing industrial and commercial buildings.

The profit/loss sharing ratio of Ashoka E-Tech from April 1, 2006 is as follows:

Sr. No.	Name of Partners	Profit/Loss (%)
1.	Ashok M. Katariya	19
2.	Ashish A. Katariya	19
3.	Sunil B. Raisoni	19
4.	Kalpana S. Raisoni	19
5.	Asha A. Katariya	10
6.	Astha A. Katariya	7
7.	Rajendra B. Raisoni	7

Financial Performance

The audited financial results of Ashoka E-Tech for the last three fiscal years are as follows:

(In Rs. million)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Capital	0.05	0.05	0.05
Reserves and Surplus	N.A.	N.A.	N.A.
Income	66.65	16.19	46.10
Expenditure	64.36	15.70	44.47
Profit/(Loss) After Tax	1.28	0.46	1.63

7. Ashoka Lawns

Corporate Information

Ashoka Lawns was formed as a partnership firm on April 1, 1996. This is a registered partnership firm under the Indian Partnership Act with registration no. MA-15812. The partnership was registered on February 24, 1997. This partnership is presently engaged in the business of promoters, masonry, developers, builders and general construction contractors.

The profit/loss sharing ratio of Ashoka Lawns is as follows:

Sr. No.	Name of the partner	Profit/Loss (%)
1.	Asha A. Katariya	40
2.	Ashok M. Katariya	30
3.	Ashish A. Katariya	30

Financial Performance

The audited financial results of Ashoka Lawns for the last three fiscal years are as follows:

(Rs. In million)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Capital	1.43	1.68	1.68
Reserves and Surplus	N.A.	N.A.	N.A.
Income	0.00	0.00	5.13
Expenditure	0.00	0.00	2.74
Profit/(Loss) After Tax	0.00	0.00	0.30

8. Ashoka Vastuvaibhav

Corporate Information

Ashoka Vastuvaibhav was formed as a partnership firm on December 24, 2004. This is a registered partnership firm under the Indian Partnership Act with registration no. MA-26670. The partnership was registered on May 2, 2005. This partnership is presently engaged in the business of promoters, masonry, developers, builders and general construction contractors.

The profit/loss sharing ratio of Ashoka Vastuvaibhav is as follows:

Sr. No.	Name of the partner	Profit/Loss (%)
1.	Astha A. Katariya	55
2.	Narendra R. Shakadwipi	45

Financial Performance

The audited financial results of Ashoka Vastuvaibhav for the last three fiscal years are as follows:

(In Rs. million)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Capital	2.95	1.65	0.62
Reserves and Surplus	N.A.	N.A.	N.A.
Income	14.86	17.52	2.00
Expenditure	12.02	16.69	1.78
Profit/(Loss) After Tax	2.19	0.21	0.21

Associations of Persons forming part of Promoter Group

1. Ashoka Township

Corporate Information

Ashoka Township was formed as an association of persons on September 12, 1996. Ashoka Township is currently engaged in the business of promoters, masonry, developers, builders and general construction contractors.

The profit/loss sharing ratio of Ashoka Township is as follows:

Sr. No.	Name of the member	Profit/Loss (%)
1.	Ashoka Nimriti Private Limited	33.33
2.	Ashoka Premises Private Limited	33.33
3.	Ashoka Promoters Private Limited	33.33

Financial Performance

The audited financial results of Ashoka Township for the last three fiscal years are as follows:

(In Rs. million)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Capital	0.75	1.11	1.12
Reserves and Surplus	N.A.	N.A.	N.A.
Income	0.00	0.05	0.00
Expenditure	18.55	0.05	0.03
Profit/(Loss) After Tax	(0.36)	0.00	(0.03)

2. Shweta Agro Farm

Corporate Information

Shweta Agro Farm was formed as an association of persons on May 25, 2005. Shweta Agro Farm is currently engaged in the business of agriculture and allied activities.

The profit/loss sharing ratio of Shweta Agro Farm is as follows:

Sr. No.	Name of Members	Profit/Loss (%)
1.	Shweta A. Katariya	20
2.	Ashok M. Katariya	17
3.	Ashish A. Katariya	15
4.	Satish D. Parakh	10
5.	Narendra R. Shakadwipi	10
6.	Nishant N. Shakadwipi	7
7.	Rajendra C. Burad	7
8.	Snehal S. Parakh	5.5
9.	Aditya S. Parakh	5
10.	Komal N. Shakadwipi	3.5

Financial Performance

The audited financial results of Shweta Agro Farm for the last three fiscal years are as follows:

(In Rs. million)

Particulars	Fiscal 2007	Fiscal 2006
Capital	4.52	0.85
Reserves and Surplus	N.A.	N.A.
Income	7.12	1.52
Expenditure	3.46	1.02
Profit/(Loss) After Tax	3.65	0.50

Companies with which the Promoters have disassociated in the last three years

The promoters have not disassociated themselves from any company/ firm during preceding three years. No promoter group companies have been struck from the records of the registrar of companies during preceding three years.

Common pursuits with the Issuer

We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations as and when they may arise. 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 174 of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

Transactions with Related Parties

(All figures in Rupees million)

	Particulars	Parties Where Control Exists					Associates And Joint Ventures					Key Management Personnel				
		2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07
1	Contract Receipts		304.67	31.80		221.88	864.55	967.77	356.97	582.75	317.26					
	Sub Contract Payments															
	Reimbursement of expenses paid	0.06					0.12	0.71	3.93	0.27				0.01	0.03	
	Reimbursement of Exp. Received	1.06					14.83	0.43	0.76	2.76						
	Salary Paid												6.90	7.04	9.35	12.04
	Retainership Paid															
	Commission Paid															
	Machinery / Vehicle Charges Paid						0.01						0.82	0.56	0.51	
	Machinery / Vehicle Charges Received								0.10	0.03						0.08
	Material Sold															
	Interest Paid				0.06	69.93		0.04	5.29	44.54	21.09		0.72	2.07	0.98	
	Interest Received				2.79	17.34			0.06	11.25					0.01	
	Sale of Material					1.68		7.61	129.44	49.92	0.47					
	Purchase of Material						0.17		0.32	0.32						
	Investment in															
	- Equity / Pref Shares		45.29			0.31	21.97	251.34	2.86	58.00						
	- Share Application						10.05		8.75							
	- Partnership Firms						6.35									
	- Joint Ventures						2.01									
	Share Application Received	43.66		0.87			3.69		0.38							
	Share Application Refund			18.92						0.38						

	Particulars	Parties Where Control Exists					Associates And Joint Ventures					Key Management Personnel				
		2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07
	Purchases of shares					93.53					283.67					4.43
	Guarantees Issued		360.00	3.40	10.00		1181.70	1220.32	615.40	765.00			1.91		5.59	
	Guarantees Received															
	Loan Taken				30.00	429.10		28.84	306.71	816.90	289.51		0.64	7.35	1.67	21.28
	Loans Repaid								50.45				6.50	5.94		
	Loans Given		11.85	41.82	37.26	17.82		6.00	2.61		1.33		0.07			
	Loans Refund			15.68	30.00			0.07	13.58	246.22					11.55	
	Outstanding Payable															
	- for purchases / loans						10.00									
	Outstanding Receivables															
	- For Purchases/services	0.2					21.72									

(All figures in Rupees million)

	Particulars	Director and their Relatives					Enterprises in which key management or Directors have significant influence				
		2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07
1	Contract Receipts								1378.25	284.80	
	Sub Contract Payments		3.70				406.77	483.11	367.81	191.52	39.34
	Reimbursement of expenses paid						46.91	5.29	13.67	1.60	
	Reimbursement of Exp. Received	0.94					8.98	32.07	18.36	0.58	
	Salary Paid		0.81	3.17	0.19						
	Rent Paid			0.36	0.36						
	Retainership Paid		0.27	0.06							

	Particulars	Director and their Relatives					Enterprises in which key management or Directors have significant influence				
		2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07
	Commission Paid		0.12				0.65	1.04	0.51	0.37	
	Machinery / Vehicle Charges Paid	2.51	2.57	1.90	1.70		27.59	36.85	22.82	0.90	0.25
	Machinery/ Vehicle Hire Charges Recived					0.63		13.73	2.46	0.73	0.80
	Repairs And Maintenance							0.01			
	Interest Paid	0.09	1.79	0.56	1.00				0.41		
	Interest Received					0.28			3.40	0.57	0.06
	Sale of Material						0.12	6.21	0.18	3.64	7.91
	Purchase of Material					87.13		0.60	2.21	7.37	6.19
	Purchase of Fixed Assets							0.42			
	Investment in										
	- Equity Shares										
	- Share Application										
	- Partnership Firms										
	- Joint Ventures										
	Share Application Received	5.33					34.53				
	Purchases of shares					1.04					329.62
	Guarantees Issued			0.33			179.91	6.50		41.49	
	Guarantees Received						777.18	820.00		1950.00	
	Loan Taken		0.76	0.51	0.23				51.38		32.09
	Loans Repaid		1.53	0.76					12.10		
	Loans Given			0.17		3.00		26.48	143.26		51.54
	Loans Refund				8.65			27.74	72.44		
	Outstanding Payable										
	- for purchases / loans	2.67					14.52				
	Outstanding Receivables						132.25				
	- For Purchases/services										

DIVIDEND POLICY

We have not declared or paid any cash dividend on our Equity Shares in the last five Fiscals. The declaration and payment of dividends if any, will be recommended by our Board of Directors and approved by our shareholders in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy. This is not indicative of our dividend policy or dividend amount, if any, in future.

INDEBTEDNESS

Details of Secured Borrowings

Our secured borrowings as of September 30, 2007 are as follows:

Working Capital Loan

We have working capital facilities with a consortium of banks (the "Consortium") consisting of the following:

1. Axis Bank Limited
2. Bank of Maharashtra
3. Indian Bank
4. Bank of India
5. Federal Bank
6. State Bank of India
7. Corporation Bank
8. Canara Bank

The total cash credit/working capital demand loan limit granted under the said facility is Rs. 1,000 million. In addition, a non-fund based limit of Rs. 6,000 million is also available to us under the said facility. As of September 30, 2007, the outstanding in respect of the same was Rs. 1.23 million and Rs. 1,022.45 million, respectively.

The facility is secured in favour of the Consortium by:

1. A first charge on all the current assets of the Company, both present and future, wherever situated, excluding assets pertaining to Nashirabad, Ahmednagar-Karmala and Sheri Nalla Projects and those which have been permitted to be excluded by the consortium in their discretion.

2. A first charge on the moveable and immoveable fixed assets of the Company, both present and future, except those which have already been charged to other banks/FIs.

3. A negative lien on the moveable and immoveable fixed assets of the Company.

4. A residual charge on the license to collect toll, both present and future.

5. A first charge on land at Nashik owned by Ashoka Township.

6. Corporate guarantee of Ashoka Promoters Private Limited, Ashoka Premises Private Limited and Ashoka Nirmiti Private Limited.

7. Personal guarantee of Mr. Ashok Katariya and Mr. S. D. Parakh, both being directors of the Company.

Corporate, Equipment and Vehicle Loans

As of September 30, 2007, the Company had availed of a total amount of Rs. 396.97 million from different lenders for the purchase of corporate, equipment and vehicles against such equipment, vehicles and machinery as collateral security as provided below:

(In Rs. million)

Sr. No.	Name of the lender	Sanctioned Amount	Outstanding Amount	Interest (%)
1.	ABN Amro Bank N.V.	96.77	36.90	6.05% -9.36%
2.	Bank of Maharashtra	5.37	2.82	11.75%
3.	Centurion Bank of Punjab Limited	11.92	9.58	8.6-9.5%
4.	HDFC Bank	0.30	0.06	4.95%
5.	ICICI Bank Limited	273.50	190.95	1.84%-10.15%

Sr. No.	Name of the lender	Sanctioned Amount	Outstanding Amount	Interest (%)
6.	Kotak Mahindra Bank Limited	25.00	21.40	9.99%
7.	Standard Chartered Bank	115.5	103.32	6.35% -12.8%
8.	Cholamandalam DBS Finance Limited	3.50	1.39	7.00%-12.90%
9.	Citicorp Finance (I) Limited	4.38	1.56	6.75%
10.	L&T Finance Limited	5.01	2.26	7.13%
11.	SREI Infrastructure Finance Limited	31.03	7.11	7.5% -16.53%
12.	Tata Motors Limited	13.54	4.65	6.05%
13.	HDFC Limited	32.00	14.97	8%-11%
Total		**617.82**	**396.97**	

Project Loans

As of September 30, 2007, the Company had availed of a total amount of Rs. 1,087.05 million from different lenders for financing their infrastructure projects as provided below:

Ahmednagar-Karmala Road Project

The Company originally borrowed Rs. 185.0 million from IDBI Bank to partially finance the project. During the construction of the last phase of the project, the loan was repaid by the Company by borrowing Rs. 380.0 million from IDFC. The Company further leveraged the project by borrowing an additional Rs. 450.0 million. The current rate of interest on these loans are 10.02% and 10.31% respectively. The loans are repayable by December, 2011 and July 2014 respectively. As of September 30, 2007, the Company has availed an amount of Rs. 664.66 million.

The facility is secured by the following:

1. A first charge and mortgage on the entire present and future immoveable assets of the Company pertaining to the Ahmednagar-Karmala project;

2. A first charge by way of hypothecation of the Company's entire moveable assets pertaining to the Ahmednagar-Karmala project;

3. A first charge on the Company's book debts, operating cash flows, receivables, commissions, revenues pertaining to the Ahmednagar-Karmala project;

4. A first charge of all intangibles including goodwill, uncalled capital, present and future, of the Company pertaining to the Ahmednagar-Karmala project;

5. A first charge by way of assignment or creation of security interest in favour of the lender, of all rights, title, interest or claims of the Company arising out of the project documents, permits, approvals, clearances, letter of credit, guarantee and insurance pertaining to the Ahmednagar-Karmala project;

6. A first charge on all accounts of the Company, including escrow accounts, pertaining to the Ahmednagar-Karmala project;

7. A pledge of equity shares aggregating to 3.41 % of the total paid up capital of the Company. In accordance with the terms of the loan agreement an additional 20.45% of the total paid up capital of the Company will have to be pledged to IDFC; and

8. Personal guarantees by Ashok Katariya, Sunil Raisoni and Satish Parakh, all being Directors of the Company.

Nashirabad Railway Overbridge Project

The Company has been sanctioned a loan amount of Rs. 185 million from Axis Bank Limited with an interest rate of 9.25% for the Nashirabad railway overbridge project. The loan is repayable in 48 equal monthly installments with the last date of payment being March 31, 2008. As of September 30, 2007, the Company has an availed an amount of Rs. 62.39 million.

The facility is secured by the following:

1. An exclusive first charge on the entire present and future assets of the Company pertaining to the Nashirabad railway overbridge project;

2. Assignment of the toll collection receivables and all rights, title, interest or claims of the Company in the project and the contracts (including the concession agreement, project documents, revenues, toll rights and insurance policies pertaining to the Nashirabad railway overbridge project) exclusively in favour of Axis Bank;

3. Exclusive hypothecation / charge on the receivables of the Company pertaining to the Nashirabad railway overbridge project;

4. Exclusive charge / lien on the collection and escrow accounts, pertaining to the Nashirabad railway overbridge project; and

5. A pledge of equity shares equity aggregating to 0.46% of the total paid up capital of the Company. In accordance with the terms of the loan agreement an additional 2.64% of the total paid up capital of the Company will have to be pledged to Axis Bank Limited.

Ahmednagar-Aurangabad Road Project

The Company has been sanctioned a loan amount of Rs. 670 million from IDFC with an interest rate of 11.11% for the Ahmednagar-Aurangabad road project. The loan is repayable in 102 equal montly installments with the last date of payment being March 15, 2017. As of September 30, 2007, the Company has availed an amount of Rs. 360 million.

The facility is secured by the following:

1. An exclusive first charge by way of hypothecation of all the Company's moveables including moveable machinery, machinery spares, tools and accessories, present and furure pertaining to this project;

2. An exclusive first charge on the Company's book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future pertaining to this project;

3. An exclusive first charge on all intangibles of the Company including but not limited to goodwill, uncalled capital, present and future pertaining to this project;

4. A first charge by way of assignment or creation of charge of (i) all the rights, title, interest, benefits, claims and demands, whatsoever of the Company in the project documents (including but not limited to the Concession Agreement, O&M Contract), duly acknowledged and consented to by the relevant counter-parties to such project documents, all as amended, varied or supplemented from time to time; (ii) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the clearances relating to this project; (iii) all the right, title, interest, benefits, claims and demands whatsoever, of the Company in any letter of credit, guarantee, performance bond provided by any party to the project documents and (iv) all insurancecontracts/insurance proceeds relating to this project

5. An exclusive charge on the trust and retention account, debt service reserve account and other reserves and any other bank accounts of the Company wherever maintained, pertaining to this project

Unsecured Borrowings

As of September 30, 2007, the total unsecured loans of the Company aggregated to Rs. 712.02 million. This includes loans taken from the following subsidiaries, partnership firms of the Company and Promoter Group companies:

(In Rs. million)

Sr. No.	Name of the lender	Outstanding Amount
1.	Ashoka Highway AD	28.56
2.	Viva Infrastructure Private Limited	2.52
3.	Viva Highways Private Limited	485.85
4.	Jayaswal Ashoka Infrastructure Private Limited	195.09
	TOTAL	**712.02**

Corporate Actions

Some of the corporate actions for which the Company requires the prior written consent of the lenders include the following:

1. Effecting any change in its capital structure.

2. Formulating any scheme of amalgamation or reconstruction.

3. Implementing or undertaking any new project/scheme or acquisition except in the normal course of buisness.

4. Making any corporate investments or investment by way of share capital or debentures or lend or advance funds to or place deposits with, anyother concern except give normal trade credits or place on security deposits in the normal course of business or make advances to employees; provided that the Company may make such investments by way of deposits or advances that are required statutorily to be made as per existing laws of the country or the rules or regulations or guidelines issued from time to time by the authorities concerned.

5. Undertaking guarantee obigations on behalf of any third party or any other company.

6. Declaring dividends for any year except out of the profits relating to that year.

7. Any drastic change in the management set-up of the Company.

8. Permitting any transfer of the controlling interest in the Company.

AUDITOR'S REPORT ON STAND-ALONE FINANCIAL INFORMATION

The Board of Directors
M/s Ashoka Buildcon Ltd.
Ashoka House,
Ashoka Marg,
Nasik.422 011.

Dear Sirs,

1. We have examined the financial information annexed to this report, as approved by The Board of Directors of the company, prepared in terms of

   - Paragraph B of Part II part of Schedule II of the Companies Act, 1956
   - Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('Guidelines') issued by the Securities and Exchange Board of India (SEBI), as amended to date and
   - Our engagement letter agreed upon with you with the proposed issue of equity shares of the company.

2. This information has been extracted by the Management from the audited financial statements for the year ended March 31, 2003, 2004, 2005, 2006 and 2007 and six months ended September 30, 2007. Audit for the financial years ended March 31, 2003, 2004, 2005, 2006 was conducted by previous auditors, M/s Rathi Daga & Co, Chartered accountants, and accordingly reliance has been placed on their audit report for the said years. The restated financial information included for these years, i.e. March 31, 2003, 2004, 2005, 2006 are based solely on the reports submitted by the previous auditors M/s Rathi Daga & Co.

3. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

   a) The restated summary statement of assets and liabilities, restated summary statement of profits and losses and restated statement of cash flows of the Company, as at March 31, 2003, 2004, 2005 and 2006 examined by us, by placing reliance on audit reports issued by M/s Rathi Daga & Co, for those years, as at and for the periods ended March 31, 2007 and half year ended September 30, 2007 examined by us, as set out in the **Annexure I, II and III** to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the notes on adjustments for re-stated financial statements and significant accounting policies for re-stated financial statements as set out in **Annexures IV and V**.

   b) Based on above and also as per the reliance placed on the audit reports submitted by the previous auditors, M/s Rathi Daga & Co. for the respective years, we are of the opinion that that the restated financial information has been made after incorporating:

      (i) adjustments for the material amounts in the respective financial years to which they relate,
      (ii) adjustments for qualifications retrospectively in the respective financial years to reflect the accounting treatment to be followed had there been no qualification,

   c) Based on our examination, we are of the opinion that the standalone restated financial statements have been prepared on the basis of accounting policies adopted as at and for the six month ended September 30, 2007

   d) There are no extra ordinary items which need to be disclosed separately in the standalone restated financial information.

4. We have also examined following other financial information set out in the below mentioned annexures prepared by the management and approved by the Board of Directors relating to the

Company for the year ended March 31, 2003, 2004, 2005, 2006, 2007 and six months ended September 30, 2007. In respect of the years ended March 31, 2003, 2004, 2005, 2006, this information has been included by placing reliance on audit reports issued by M/s Rathi Daga & Co. and relied upon by us.

(i) Statement of Secured Loan included in **Annexure VI**
(ii) Statement of Unsecured Loan included in **Annexure VII**
(iii) Statement of Loans & Advances included in **Annexure VIII**
(iv) Statement of Sundry Debtors included in **Annexure IX**
(v) Statement of Investment included in **Annexure X**
(vi) Statement of Current Liabilities and Provisions included in **Annexure XI**
(vii) Statement of Other Income included in **Annexure XII**
(viii) Statement of Contingent Liabilities and Capital Commitments included in **Annexure XIII**
(ix) Statement of Dividend declared / Paid / Proposed included in **Annexure XIV**
(x) Statement of Accounting Ratios included in **Annexure XV**
(xi) Statement of Capitalisation as at September 30, 2007 included in **Annexure XVI**
(xii) Statement of Related Party Transaction included in **Annexure XVII**
(xiii) Statement of Tax Shelter included in **Annexure XVIII**
(xiv) Statement of Segment Reporting included in **Annexure XIX**

5. In our opinion the financial information contained in Annexure I to XVIII of this report read along with the Significant Accounting Policies, and Notes to accounts prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

6. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report and should not be used, referred to or distributed for any other purpose except with our prior written consent.

For **M P Chitale & Co.**
Chartered Accountants

Ashutosh Pednekar
Partner
ICAI M. No. 41037

Mumbai,
December 21, 2007

ANNEXURE: I
SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(All figures in Rupees million)

		As At					
		Sept 30, 2007	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**	**March 31, 2004**	**March 31, 2003**
A.	**ASSETS :**						
	Fixed assets - Gross block	999.69	889.35	566.09	497.06	299.49	219.79
	Less: Depreciation	270.27	221.01	152.40	121.59	90.91	59.67
	Net block (1)	729.42	668.34	413.69	375.47	208.58	160.12
	InTangible Assets						
	Fixed assets - Gross block	1,256.37	1,256.37	1,259.68	1,235.65	1,235.73	0.00
	Less: Depreciation	538.27	461.23	318.60	251.99	119.77	0.00
	Net block (2)	718.10	795.14	941.08	983.66	1,115.96	0.00
	Add : Capital WIP (3)	539.04	263.74	48.17	9.47	49.82	73.32
	Total (A = 1 + 2 + 3)	**1,986.56**	**1,727.22**	**1,402.94**	**1,368.60**	**1,374.35**	**233.44**
B.	**INVESTMENTS (B)**	**1,663.54**	**1,607.57**	**916.84**	**816.64**	**808.67**	**42.70**
C.	**CURRENT ASSETS, LOANS & ADVANCES :**						
	Inventories	702.65	588.58	297.19	191.04	62.82	116.29
	Sundry debtors	285.95	290.42	477.43	172.73	101.03	55.02
	Cash & bank balances	471.42	1,050.32	448.63	256.10	191.76	205.62
	Loans and advances	623.65	629.61	565.18	349.26	477.20	351.76
	Total (C)	**2,083.67**	**2,558.93**	**1,788.42**	**969.12**	**832.81**	**728.69**
	TOTAL ASSETS (A + B +C)	**5,733.77**	**5,893.72**	**4,108.20**	**3,154.37**	**3,015.83**	**1,004.83**
D.	**LIABILITIES AND PROVISIONS :**						
	Unsecured loans	712.02	812.11	887.49	420.54	86.00	0.00
	Secured Loans	1,525.81	1,726.03	1,222.48	719.19	873.92	181.20
	Deferred tax liability	25.15	24.46	26.81	11.83	18.99	14.02
	Current liabilities & provisions:						
	Current liabilities	609.58	560.09	375.41	502.99	655.26	681.96
	Provisions - Staff benefits	7.06	5.54	2.29	1.19	0.38	0.18
	Provisions for taxation	56.24	39.24	17.46	8.25	7.18	7.46
	Total (D)	**2,935.86**	**3,167.47**	**2,531.94**	**1,663.99**	**1,641.73**	**884.82**
E.	**NET WORTH**						
	Represented by:						
	Share capital	210.41	224.21	211.40	211.40	211.40	65.00
	Security premium (Net of Share Issue Expenses)	1,848.09	1,858.90	893.86	918.61	940.55	0.00
	Preference Share redemption Reserve	167.87	176.39	151.64	126.88	102.12	0.00
	Profit and loss account	571.54	466.74	319.36	233.49	120.02	55.16
	Less: Preliminary / share issue expenses not written off	0.00	0.00	0.00	0.00	0.00	0.15
	Total (E)	**2,797.90**	**2,726.25**	**1,576.26**	**1,490.38**	**1,374.10**	**120.01**
	TOTAL LIABILITIES (D + E)	**5,733.77**	**5,893.72**	**4,108.20**	**3,154.37**	**3,015.83**	**1,004.83**

ANNEXURE: II

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(All figures in Rupees million)

		Year / Period Ended				
	Sept 31, 2007	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**	**March 31, 2004**	**March 31, 2003**
INCOME :						
Turnover						
- Contract	1,040.40	2,445.41	1,181.32	777.60	1,478.87	1,466.59
- Sales	323.41	481.86	247.38	296.25	119.86	70.22
- Toll Income - BOT	169.02	280.50	218.72	219.45	208.73	0.00
- Toll Income - Contract	0.00	345.40	20.42	0.00	3.68	21.23
Total Turnover	1,532.83	3,553.17	1,667.84	1,293.30	1,811.14	1,558.04
Other Income	75.15	158.44	129.17	102.73	112.52	10.30
TOTAL INCOME	**1,607.98**	**3,711.61**	**1,797.01**	**1,396.03**	**1,923.66**	**1,568.34**
EXPENDITURE :						
Contract / O & M Expenses *	891.11	2,191.80	959.97	661.36	1,398.67	1,376.39
Cost of Material Sold	254.92	374.02	221.90	240.59	45.00	34.42
Toll Expenses	0.00	316.87	17.92	0.00	4.98	32.58
Staff Expenses	57.26	102.37	63.73	48.85	41.43	8.94
Administrative Expenses	42.94	112.10	70.95	53.52	51.63	26.74
Finance Costs	115.92	240.00	160.09	113.47	137.02	25.48
Depreciation	45.95	73.64	59.79	37.67	31.30	25.48
Amortisation	77.04	142.63	123.66	130.11	120.48	0.00
TOTAL EXPENDITURE	**1,485.14**	**3,553.43**	**1,678.01**	**1,285.57**	**1,830.51**	**1,530.03**
Net Profit before tax and prior period items	**122.84**	**158.18**	**118.99**	**110.46**	**93.15**	**38.31**
Provision for taxation :						
Current Tax (Net)	15.68	12.74	15.80	6.12	7.04	7.49
Deferred Tax	0.69	(2.35)	14.98	(7.95)	26.76	5.18
Fringe Benefit Tax	1.67	1.41	2.03	0.00	0.00	0.00
Net Profit after Tax and before Adjustments	**104.80**	**146.38**	**86.18**	**112.28**	**59.35**	**25.64**
ADJUSTMENTS (see Annexure IV)						
ADJUSTMENTS (see Note 1 of Annexure IV)	0.00	(1.49)	0.79	(1.44)	2.11	0.11
Current Tax Impact of Adjustments	0.00	0.49	(0.50)	0.26	(0.28)	(0.04)
Net Profit attributable to Shareholders	**104.80**	**147.38**	**85.88**	**113.46**	**57.52**	**25.57**
Profit Brought Forward from Previous years	466.74	319.36	233.48	120.02	55.16	29.59
Profit of Merged Entities					7.34	
Balance carried to Balance sheet	**571.54**	**466.74**	**319.36**	**233.48**	**120.02**	**55.16**

* Net of all expenditure transferred to capital work in progress

ANNEXURE: III
STATEMENT OF CASH FLOW, AS RESTATED

(All figures in Rupee millions)

		Year / Period ended				
	30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
A. CASH FLOW FROM OPERATING ACTIVITIES :						
Net Profit before Tax	122.84	159.67	118.20	111.90	93.05	38.20
Adjustments for :						
Depreciation / Amortisation	123.00	212.04	184.86	167.08	151.09	25.48
Investment Income	(19.90)	(48.81)	(58.70)	(59.15)	(52.01)	(3.36)
Interest (Net)	115.92	240.00	160.09	113.57	138.83	25.53
Share Issue Expenses written off	0.00	0.00	0.00	0.00	0.86	0.08
Operating Profit before Working Capital Changes	**341.85**	**562.90**	**404.44**	**333.39**	**331.83**	**85.94**
Adjustments for :						
Inventories	(114.07)	(291.39)	(106.15)	(128.21)	53.46	16.79
Trade and Other Receivables	10.44	130.92	(498.07)	63.92	(199.92)	(136.34)
Trade Payables and other payables	68.01	201.37	(114.26)	(154.91)	15.93	245.25
Cash Generated from the Operations	**306.24**	**603.80**	**(314.04)**	**114.18**	**201.30**	**211.64**
Direct Taxes provision	(17.35)	(14.64)	(13.56)	(13.78)	(20.26)	(13.61)
Net Cash from/(used in) Operating Activities	**288.88**	**589.16**	**(327.61)**	**100.40**	**181.04**	**198.03**
B. CASH FLOW FROM INVESTING ACTIVITIES :						
(Purchase) / Sales of Fixed Assets	(382.46)	(534.98)	(231.50)	(162.05)	(306.65)	(65.36)
Investments :						
(Purchase) / repayment & reduction of Investments	(55.98)	(690.73)	(99.81)	3.56	(530.27)	(83.92)
Share of profits/ (losses) Associates /Joint Ventures	20.03	47.46	61.21	59.92	52.01	3.37
Net Cash (used in) Investing Activities	**(418.41)**	**(1,178.25)**	**(270.10)**	**(98.57)**	**(784.90)**	**(145.90)**
C. CASH FLOW FROM FINANCING ACTIVITIES :						
Increase in Share Capital	(33.14)	1,002.61	(19.93)	(3.73)	(49.89)	43.55
Proceeds from /(Repayment of) borrowings	(300.31)	428.16	970.25	179.81	778.71	29.19
Interest Paid	(115.92)	(240.00)	(160.09)	(113.57)	(138.83)	(25.53)
Net Cash from/(used in) Financing activities	**(449.37)**	**1,190.78**	**790.23**	**62.51**	**590.00**	**47.20**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(578.90)**	**601.69**	**192.53**	**64.34**	**(13.86)**	**99.33**
Cash & Cash Equivalent, end of year / period	471.42	1,050.32	448.63	256.10	191.76	205.62
Cash & Cash Equivalent, beginning of year / period	1,050.32	448.63	256.10	191.76	205.62	106.29
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(578.90)**	**601.69**	**192.53**	**64.34**	**(13.86)**	**99.33**
COMPONENTS OF CASH AND CASH EQUIVALENTS						
Cash in hand	7.62	4.49	4.66	2.32	3.81	1.48
Balances with Banks:						
-On Current Account	60.53	168.54	51.58	64.92	42.64	25.30
-On Deposit Account	403.27	877.28	392.38	188.85	145.31	178.84

ANNEXURE IV

BREAK UP OF ADJUSTMENTS / RESTATMENTS MADE IN RESTATED FINANCIAL INFORMATION

The adjustments / restatements made while preparing the Restated Financial Information are summarized below:

(All figures in Rupee millions)

		Year / Period Ended				
	30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
Net Profit After Tax and after Extraordinary items as per Audited Financial Statements	104.80	146.38	86.18	112.28	59.35	25.64
Restatements / Adjustments on account of :						
- Prior Period items (refer Note **1 (a)** below)	0.00	(0.80)	(0.40)	1.54	(0.57)	0.07
- Provision for Leave Encashment (refer Note **1 (b)** below)	0.00	2.29	(1.10)	(0.81)	(0.21)	(0.18)
- Adjustment of Amortisation for Prior Years (refer Note 1 **(c)** below)	0.00	0.00	0.70	0.70	0.68	0.00
- Adjustments of Income tax for prior years	0.00	0.00	0.00	0.00	(2.80)	0.00
- Adjustments of deferred tax for prior years	0.00	0.00	0.00	0.00	0.78	0.00
Current Tax impact of Adjustments	0.00	(0.49)	0.50	(0.26)	0.28	0.04
Net Profit After Tax and after Extraordinary items as per Restated Financial Information of profits and losses	104.80	147.38	85.88	113.46	57.52	25.57

NOTES ON ADJUSTMENTS MADE IN THE RESTATED FINANCIAL INFORMATION

CHANGE IN ACCOUNTING POLICIES:

1 (a) In the restated financial statements prior period items are considered as expenditure / income in the fiscal year for which these items pertain to.

1 (b) Leave encashment was accounted for on payment basis till fiscal 2005-06 and no provison was made for outstanding leave.In the restated financial statements the provision for leave encashment has been made from fiscal year 2002-2003 onwards.

1 (c) In the restated financial statements mistake in calculation of depreciation are accounted for, in the respective fiscal year.

ANNEXURE: V

A. BACKGROUND & SIGNIFICANT ACCOUNTING POLICIES

a) **Basis & Method of Accounting:**

The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis. Financial Statements are prepared under historical cost convention, in accordance with the Generally Accepted Accounting Principles in India (GAAP) and comply in all material aspects, with mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the Company are set out below. Management has made certain estimates and assumptions in conformity with the GAAP in the preparation of these financial statements, which are reflected in the preparation of these financial statements. Difference between the actual results and estimates are recognized in the period in which the results are known.

b) **Fixed Assets & Depreciation:**

i) Fixed assets are stated at cost less accumulated depreciation. Cost being cost of acquisition and expenditure directly attributable for commissioning of the asset. In respect of assets acquired on merger, fixed assets are stated at their fair market value on the effective date of merger less depreciation.

ii) Depreciation has been provided on Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956.

c) **Intangible assets & Amortization**

i) Intangible assets are carried at cost of acquisition less any subsidies or grants. These assets include all duties, non-refundable taxes, levies and costs incurred (which are directly attributable) for bringing assets into working conditions for its intended use. Intangible assets include assets that are incidental for the purpose of Toll Collection and which will be handed over at the end of the concession period. Fees incurred in order to arrange long-term financing are capitalized and amortized over the life of the asset.

ii) Intangible assets are amortized on straight line method over the useful life of the asset/ Concession period. Amortization of these Intangible Assets commences when the Right to Collect Toll is established by the Company.

d) **Investments**

Long term Investments are stated at acquisition cost. Investments acquired on merger are stated at their fair market value on the effective date of merger.

e) **Revenue Recognition:**

i) **Construction Contracts**
Revenue from long term contracts is recognized on percentage completion basis. Provisions for future foreseeable losses are fully provided for. Claims and variations for escalations/damages are recognized only when accepted by the client. Claims under arbitration/disputes are accounted as income based on final award. Expenses on arbitration are accounted as incurred.

ii) **Sales**
Sales are recognised on dispatches to customers. Sales exclude VAT and are net of incentives and discounts.

iii) **Toll Collection – BOT & Contracts**
Income from toll collection is recognised on the basis of actual collections.

iv) Income from Joint Venture project is recognised only when the profit / income is ascertained and there is certainty and substantial precision as to amount of income.

f) **Inventory**

i) Inventory of construction / raw material is valued at cost or net realizable value whichever is less. Cost includes all taxes and expenses incurred to bringing inventory to their present location and condition. Cost is arrived at using FIFO basis.

ii) Work in Progress in respect of construction contracts is valued on the basis of technical estimates and percentage completion basis.

iii) Stores and spares are expensed as and when purchased.

g) **Retirement Benefits**

i) Provision for liabilities in respect of leave encashment are estimated on the basis of an actuarial valuation.
ii) Provision for gratuity liability is made on the basis of premium payable in respect of Group Gratuity Policy with an insurance company.
iii) Provident Fund benefit to employees is provided for on accrual basis and charged to Profit and Loss Account of the year

h) **Borrowing Cost**

Borrowing costs directly attributable to acquisition and construction of capital assets are capitalized till the asset is put to use/ready for use. Borrowing costs directly attributable to construction contract project are charged to profit & loss account and are included in work in progress. All other borrowing costs are recognised as an expenditure in the period when they were incurred.

i) **Foreign Exchange Transactions:**

Transactions in foreign currency are recorded at exchange rates prevailing on the dates of respective transactions. The difference in translation and realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss Account.

j) **Impairment of Fixed Assets**

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, such assets are subject to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, loss is recognised.

k) **Taxes on income**

i) Tax expense comprises both current and deferred tax at the applicable enacted/substantively enacted rates. Current tax represents the amount of income tax payable in respect of the taxable income for the reporting period.

ii) Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

l) **Provisions and contingencies**

Provisions are recognized when the company has a legal and constructive present obligation as a result of a past event, for which it is probable that outflow of resources will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when there is a possible obligation that may result in an outflow of resources. Contingent assets are neither recognized nor disclosed.

C. OTHER NOTES:

a) Accounting for Construction Contracts:

Sr. No.	Particulars	*Amount in mln*
	Revenue from fixed price construction contracts are recognized on the percentage of completion period, measured by reference to the percentage of cost incurred up to the year end to estimated total cost for each contract	
1	Total Contract revenue recognized during the year	1040.40
2	Particulars about contracts in progress at the end of the year	
a)	Aggregate amount of cost incurred up to year end	3843.26
b)	Aggregate amount of profit / Loss Recognized	385.27
c)	Retention amounts	73.12
3	Gross Amount due from customers for contract work	16.77
4	Gross amount due to customers for contract work	90.45

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers/technical officials, of percentage of completion and costs to completion of each project/contract on the basis of which profit/loss is allocated.

b) Borrowing Cost

Particulars	Amount in mln
Interest Cost capitalized and charged to fixed Assets during the year	1.00

c) Segment Reporting

The Company has identified four reportable segments i.e. Construction and contract related activities, BOT Projects, Toll Collection Contracts and Sales of Goods. Segments have been identified taking in to account the nature of activities of the Company, differing risks and returns and internal reporting systems.

Figures in mln

Primary Segment	Construction and Contract Related Activity	BOT	Sales of Goods	Inter Segment Revenue	Total
Revenue	1040.40	169.03	330.88	(7.47)	1532.83
Segment Results	120.80	75.53	9.92		206.25
Add: Unallocated other income					75.15
Less: Unallocated expenditure					158.56
Profit Before Tax					122.84
Less: Prior Period Adjustment					0.80
Less: Provision for					

Primary Segment	Construction and Contract Related Activity	BOT	Sales of Goods	Inter Segment Revenue	Total
Current Tax					15.68
Deferred Tax					0.69
Add: Last Year Tax					1.68
Net Profit After Tax					104.01

(Figures in brackets denote figures for pervious year)

Particulars	Construction and Contract Related Activity	BOT	Toll Collection Contract	Sales of Goods	Inter Segment	Total
Segment Assets	1582.17 (1393.80)	1183.35 (1322.08)	Nil (89.12)	330.13 (316.81)	Nil Nil	3095.65 (3121.81)
Unallocable Assets					Nil Nil	2610.83 (2771.96)
Segment Liability	809.94 (836.72)	1134.37 (970.96)	Nil (0.42)	132.72 (96.80)	16.97 Nil	2094.00 (172.48)
Unallocable Liability					Nil Nil	816.31 (1417.39)
Capital Expenditure during the year on Segment Assets	175.67 (390.17)	284.15 (146.67)		4.36 (82.41)	Nil Nil	464.19 (619.24)
Depreciation Segment	33.56 (54.44)	77.57 (144.07)		11.87 (17.75)	Nil Nil	123.00 (216.26)

d) Related Party Transactions

I. Transaction during the period:

Figures in mln

Nature of Transactions	Parties where Control Exists	Associates and Joint Ventures	Key Management Personnel	Director Relatives	Enterprises in which Key Management or Directors have significant influence
Contract Receipts	149.10	179.73			13.89
Sub Contract Expenses					0.68
Salary Paid			5.82	0.49	
Interest Expenses	20.16	10.83			
Rent Received					013

Nature of Transactions	Parties where Control Exists	Associates and Joint Ventures	Key Management Personnel	Director Relatives	Enterprises in which Key Management or Directors have significant influence
Interest Income	9.43				
Sale of Material	1.84				1.30
Purchase of Material				41.28	3.58
Investments in :					
Share Capital (Equity & Pref.)	0.89 (0.31)	14.58 Nil			
Share Application Refund		Nil (0.38)			
Share Redemption		6.50	7.73	16.98	1.93
Purchase of Share	Nil (93.53)	Nil (283.67)	Nil (4.43)	Nil (1.04)	Nil (329.62)
Loans Taken	(429.10)	36.43 (289.51)	Nil (21.28)		Nil (32.09)
Loans Repaid	126.99	27.33			
Loans / Advances Given	44.70 (17.82)	48.31 (1.33)	0.80 Nil	0.15 (3.00)	1.05 (51.54)
Loans Refund	26.92	0.95			

(Figures in brackets denote figures for pervious year)

II. Outstanding Balances as on 30.9.2007:

Figures in mln

Nature of Transactions	Parties where Control Exists	Associates and Joint Ventures	Key Management Personnel	Director and their Relatives	Enterprises in which Key Management Or Directors have significant influence
Investment Made :					
Partner Firm/ Joint Venture Porjects		**Nil** (83.57)			
Outstanding Payable :					
For Purchases / Services	13.31 (18.29)	25.64 (1.69)		Nil (0.04)	Nil (8.57)
For Loans Taken	442.87 (590.95)	223.66 (222.32)			

Outstanding Receivables:					
For Sales / Services / Advances	65.99 (68.57)	4.80		0.33 (0.58)	25.48 (4.28)
For Loans Given	170.94 (188.66)				Nil (29.77)

(Figures in brackets denote figures for pervious year)

e) Accounting for Operating Leases

The Company has various operating leases for equipments and premises , the leases are renewable on periodic basis and cancelable in nature.

f) Deferred Tax - AS 22

The components of significant timing differences that resulted in deferred tax assets and liabilities are as follows:

Figure in mln

Particulars	**30.09.07**	**31.03.07**
Difference in Depreciation on Fixed Assets	26.46	27.24
Other Timing Differences	(1.31)	(2.78)
Total	**25.15**	**24.46**

The company is claiming deduction u/s 80-IA of The Income Tax Act, 1961 for the following sites:

1. Chittorgarh Road Project
2. Akola Bye pass Road Project.
3. Nagar karmala
4. Sherinallah
5. Nashirabad

We have not provided for deferred tax asset/liabilities on timing differences originating and reversing during tax holiday period for the above sites.

g) Details of Provisions

Figures in mln

Particulars	**Opening**	**Provisions made during the Period**	**Provision reversed / adjusted**	**Closing**
Taxation	39.30 (25.81)	17.00 (18.47)	Nil (4.98)	56.29 (39.30)
Gratuity and Leave encashment	5.55 Nil	2.04 (5.55)	0.52 Nil	7.07 (5.55)
Provision for Doubtful Debts	2.38 Nil	0.75 (2.38)	Nil Nil	3.13 (2.38)

(Figures in brackets denote figures for pervious year)

h) Amount paid or payable to Auditor as Fees

Figures in mln

Sr. No.	Particulars	30.09.07
1	Audit Fees	0.79
2	**Tax Consultancy**	Nil
3	Certification Charges	Nil
4	Out of Pocket Expenses	Nil
Total		**0.79**

i) Foreign Exchange

Sr. No.	Particulars	Amount in mln
1	Earnings in Foreign Exchange	Nil
2	Expenditure in Foreign Currency CIF Value of Import so	Nil
a)	Capital Goods	1.64
b)	Construction Materials	Nil
c)	Spare Parts of Machinery	0.45
d)	Foreign Travel Expenses	Nil

j) CAPACITY, PRODUCTION, STOCK ETC.

i) Quantitative Details in respect of Capacity, Stock, Production, Sales etc. cannot be given in respect of Company's activities of contracting business - N. A.

ii) Quantitative details of goods turnover

Particulars	Unit	Opening Stock	Closing Stock	Production/ purchase during the year	Quantity sold	Sales Value (Rs in mln)
Ready Mix Concrete	Cu Mt.	0	0	*115,570	1,15,570	295.55
Bitumen	M. T.	152.130	91.889	1,342.35	1,402.591	27.86

*Includes captive consumption of 6913 Cum and Jobwork 2526 Cum.

iii) Consumption of Materials for RMC

Sr. No.	Particulars	Unit	Quantity	Value in mlln
1	**Cement**	Bags	6,54,291	135.58
2	Fly Ash	MT	7,959	7.15
3	Sand	Cub. Mtr	86,506	39.64
4	Metal	Cub. Mtr	71,930	43.18
5	Const. Chem.	Kgs.	4,08,982	11.44

k) Sundry Debtors include:

Sr. No.	Particulars	30.09.07	31.03.07
i)	Due from companies under the same management		
	Viva Highways P. Ltd.	1.84	14.86
	Ashoka Infraways P. Ltd.		13.56
	Ashoka DSC Katni Bypass Road P. Ltd.		176.82
	Ashoka Infrastructures Ltd.	58.26	64.44
	Ashoka Education Foundation	0.94	4.16
ii)	Partnership Firms in which Directors/ company are interest		
	Ashoka E-Tech	Nil	5.10
	Ashoka VastuVaibhav	Nil	0.98

l) Loans and Advances (being receivables in transferor Pvt. Ltd. companies) include:

Sr. No.	Particulars	30.09.07	31.03.07
i)	**Due from Directors**	Nil	Nil
ii)	Due from Companies under the same Management:		
	Ashoka Builders (N) P. Ltd.	6.74	8.24
	Ashoka Ctiy Towers Construction Pvt Ltd	Nil	0.00
	Viva Highways P. Ltd.	1.54	
	Ashoka Construwell P. Ltd.	1.96	6.75
	Ashoka Engineering Co.	0.20	
	Ashoka DSC Katni Bypass Road Pvt Ltd	42.97	6.57
	Ashoka Deserts & Developers Pvt Ltd	Nil	7.23
	Viva Infrastructure Pvt. Ltd.	6.80	
	Ashoka Errector Pvt Ltd	Nil	6.14
	Ashoka Infraways P. Ltd.	1,51.64	180.01
	Ashoka Infrastructure Ltd.	19.31	11.46
	Ashoka Estate Developers Pvt Ltd	Nil	0.51
	Ashoka Nirmati Pvt Ltd	Nil	2.04
	Ashoka Highways (Bhandara) Ltd.	2.85	3.88
	Ashoka Marg Nirma (Durg) Ltd.	3.99	2.75
	Ashoka Vastukala Nirman Pvt Ltd	Nil	2.65
	Hotel Evening Inn Pvt Ltd	Nil	0.01
	Ashoka Buildwell & Developers Pvt Ltd	Nil	5.50
	Ashoka Education Foundation	Nil	8.05
iii)	Due from Firms in which Directors are Interested		
	Ashoka Township (AOP)	Nil	2.61
	A P Equipment Pvt Ltd	Nil	0.07
	Shubham Developers	Nil	2.38

Sr. No.	Particulars	30.09.07	31.03.07
	Ashoka Builders & Developers	Nil	2.95
	Ashoka E-Tech	1.29	15.08
	Ashoka Lawns	Nil	0.34
	Aditya Parakh	Nil	0.03
	Ashoka Valecha	0.53	

m) Term Deposits are pledged as under

Amounts in mln

Sr. No.	Particulars	30.09.07	31.03.07
1	With Banks as security against Bank Guarantee / Overdrafts	274.86	801.13
2	With Government Dept./ Security Deposits	123.73	20.27
3	With Sales Tax Authorities	0.04	0.19

n) Directors' Remuneration includes

Amount in mln

Sr. No.	Particulars	September 2007
1	**Salary**	6.73
2	Reimbursement	Nil
3	Employer's Contribution to Provident Fund	0.51
Total		**7.24**

o) The Company is carrying following projects as on the basis of developing, maintaining and operating infrastructure facilities viz.:

Sr. No	Name of the Project	Concession Period
	Under Toll Collection	
1	Nagar – Karmala Road Project	24th August 1999 to 4th November 2015
2	Akola Project	6th February, 2006 to 5th March, 2008
3	Sherinallah – Bridge	24th October 2000 to 22nd June 2015
4	Nashirabad Railway Over Bridge	24th July 2000 to 15th October 2009
	Under Construction	
5	Nagar Aurangabad	18th December 2006 to 18 September 2017

p) The Company has entered with following Joint Venture in the nature of Jointly controlled Operations, wherein there are no capital contribution :

i) Bhageeratha Engineering Limited for a contract by NHAI all responsibilities, financial or otherwise, are that of the other Joint Venture member.
ii) Valecha Engineering Ltd for execution of the construction of Chittorgarh Bypass, wherein the work is to be executed separately as per agreed terms and conditions and the obligations and fortunes of the respective works is being accounted individually of their own works.

q) The Company has also entered into a Joint Venture with Ashoka Buildwell & Developers Pvt. Ltd. by the name of Ashoka Infrastructures, to implement the Dhule Project on BOT basis with a sharing of 99.99% and 0.01% in favour of the company and Ashoka Buildwell &

Developers Pvt. Ltd. respectively. Proportionate interest of the company in the said Joint venture is as under:

Figure in mln

Balance Sheet	***30.09. 07***	***31.03.07***
Capital	97.78	59.17
Fixed Assets	0.49	0.49
Cash and Bank Balances	0.41	1.19
Loans and advances	31.84	0.48
Investments	68.54	60.00
Current Liabilities	3.51	2.99

Income	16.60	38.04
Expenses	1.21	1.57
Depreciation	0.04	0.09

r) Details of Investments in Partnership Firms:

(Rs. In mln)

Name of Partnership & Partners	**Share in Profit/ Loss**	**Capital as at 30.9.07 Amount**	**31.03.07**
Ashoka Highway Ad			
– Ashoka Buildcon Ltd.	99.99%	22.01	22.01
– Ashoka Builders (Nasik) Pvt. Ltd.	0.01%	0.17	017
Ashoka Bridge ways			
– Ashoka Buildcon Ltd.	5.00%	2.40	2.40
– Ashoka Builders (Nasik) Pvt. Ltd.	95.00%	8.23	8.23

s) The company does not have the information whether the creditors are Small Scale and Ancillary Industrial Undertaking, as defined by "The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1992". Hence, amounts, which were overdue and outstanding at the close of the year payable to the said Industrial Undertakings, are not ascertainable.

t) Suppliers/Service providers covered under Micro, Small Medium Enterprises Development Act, 2006 have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed u/s 22 of the said Act is not given.

u) During the year, in one of the contracts, expenditure (cost) in excess of reduced contract value aggregating to approximately Rs. 30 mln, has been incurred by the company and the same has been debited to the sub-contractor's account who has duly acknowledged the receipt of details thereof. No provision for the same has been made in the books of accounts as the company has a contractual right of recovery of such excess expenditure from the back to back sub-contractor.

v) Accumulated losses in one of the subsidiary companies, M/s Ashoka Infraways Pvt. Ltd(AIWPL). exceeds the carrying cost of the investment by Rs. 0.20 mlln. Since, AIWPL is engaged in BOT project activity, management is confident that losses incurred initially will be set off against profits in the later stage of the Toll period. In the opinion of the management such diminution in the value of investment is only temporary. Hence, no provision for such diminution has been made as required by AS-13 on Investments.

w) The Company has entered into derivative transaction of JPY INR cross currency swap with interest rate cap protection with a settlement date of May,2008. The Company has accounted for interest receivable as interest from derivatives. Unrealised profit on fair value of swap aggregating to USD 126652 computed by the bank has not been accounted in the books on a prudential basis.

x) Out of the Investments of the Company following investments are pledged with the Financial Institutions /Banks for security against the financial assistance extended to the companies under the same management.

40,00,000 Equity Shares of Jayaswals Ashoka Infrastructure Pvt. Limited of Rs. 10/- each
72,57,864 Equity Shares of Viva Highways Pvt. Limited of Rs.10/ each
49,000 Equity Shares of Viva Infrastructures Pvt. Limited of Rs.10/- each
10,00,000 Equity Shares of Ashoka Infraways Pvt. Limited of Rs.10/- each
19,75,000 Equity Shares of Ashoka Infrastructures Limited of Rs.10/- each
9,53,750 Preference Shares of Viva Infrastructure Pvt. Limited of Rs.100/- each
43,51,400 Preference Shares of Ashoka Infrastructures Limited of Rs.10/- each
3,23,227 Preference Shares of Ashoka Infraways Private Limited of Rs.10/- each

y) The Status of redeemable preference share by Company is as follows:

Particulars	**No. of Shares**	**Premium at Redemption**	**Redemption Period**	**Redemption Month**
Redeemable Non – Cumulative Non – Convertible Preference Shares	59,500	175%	10th Year	March, 2010
Redeemable Non – Cumulative Non – Convertible Preference Shares	2,25,000	175%	10th Year	October, 2010
0% Redeemable Non-Cumulative Preference Shares	4,88,350	150%	12th Year	December 2011
0% Redeemable Non – Cumulative Non – Convertible Preference Shares	2,73,500	150%	12th Year	September 2011
0% Redeemable Non – Cumulative Non – Convertible Preference Shares	2,57,000	150%	12th Year	October 2012
0% Redeemable Non – Cumulative Non – Convertible Preference Shares	3,49,470	150%	8th Year	109500 Preference Shares redeemed Balance due for redemption in December 2007

The company has created a redemption reserve by utilizing the share premium account.

z) The company has registered under itself under Employees Provident Fund Act for employees of the company as well as employees of certain group companies.

aa) Balance of Debtors, Creditors, Advances, Deposits, etc. are subject to confirmation and reconciliation any.

ab) The company has prepared interim financial statements for the first time.

In accordance with transitional provisions of AS-25 on Interim Financial reporting, we have not presented comparative statements of Profit and Loss and cash flow statements for the preceding period ended September 2006.

ANNEXURE: VI

STATEMENT OF SECURED LOANS, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Secured Loan						
From Banks						
ABN Amro Bank N.V.	36.90	52.63	35.25	49.24	0.00	0.00
Bank of Maharashtra	2.82	0.91	2.59	4.11	0.00	0.00
Centurion Bank of Punjab Ltd.	9.58	11.82	5.40	7.52	6.79	9.14
HDFC Ltd.	14.97	17.26	21.63	25.32	28.75	31.72
HDFC Bank Ltd.	0.06	0.17	1.47	0.93	0.54	0.00
ICICI Bank Limited	182.36	218.25	73.90	0.93	28.42	43.72
Kotak Mahindra Bank Ltd.	21.40	24.12	0.00	0.00	0.00	0.00
Ratanakar Bank* 20	0.00	0.00	0.59	0.00	0.00	0.00
Standard Chartered Bank	103.32	81.30	0.94	0.93	1.24	0.13
State Bank of India	0.00	0.00	0.00	0.00	9.37	17.64
Thane Janata Sah. Bank Ltd.	0.00	0.00	0.00	1.50	2.30	2.98
ICICI Bank Ltd.	8.59	0.00	40.70	56.25	91.06	0.00
Axis (UTI) Bank Ltd.	62.39	84.16	119.70	151.81	105.48	0.00
From Financial Institutions						
Cholamandalam DBS Finance Ltd.	1.39	1.97	1.81	0.94	0.18	0.00
Citicorp Finance (I) Ltd.	1.56	2.30	4.00	5.73	12.67	19.28
Kotak Mahindra Primus	0.00	0.00	0.00	0.00	0.15	0.00
Kotak Mahindra	0.00	0.00	(0.00)	0.00	0.25	0.00
L & T Finance Ltd.	2.27	2.89	4.09	0.00	0.00	0.00
Srei Infrastructure Finance Ltd.	7.11	10.61	39.47	69.90	19.19	24.57
TATA Motors Ltd.	4.65	6.41	9.79	12.70	0.00	0.00
SICOM Ltd.	0.00	0.00	0.00	0.00	92.89	0.00
Shreelekha N.S.A.L.	0.00	0.00	0.00	0.28	0.95	0.47
IDFC Ltd.	1,024.66	684.42	736.68	330.72	358.69	0.00
Cash Credit / Bill Discounting						
Axis (Uti) Bank Ltd. – CC	0.00	0.13	20.80	0.00	0.00	0.00
Bank of India - CC	0.00	2.33	1.64	0.00	0.00	0.00
Bank of Maharashtra – CC	0.00	0.00	0.00	0.00	0.00	0.00
Bank of Maharashtra - LC / BD	0.00	0.00	0.00	0.00	5.38	0.00
Canara Bank - CC	0.00	0.00	0.00	0.00	0.00	0.00
Corporation Bank - CC	0.82	0.12	0.00	0.00	0.00	0.00
Federal Bank - CC	0.42	23.61	0.00	0.00	0.00	0.00
Indian Bank - CC	0.00	0.02	0.00	0.00	0.00	0.00
Indian Bank - DL	0.00	0.00	0.00	0.00	0.00	0.00
ICICI Bank Limited, Pune		0.00	0.00	0.00	0.00	50.00
Rupee Co-op. Bank Ltd., Nashik	0.00	0.00	0.00	0.39	48.86	2.49
SICOM – BD	0.00	0.00	0.00	0.00	0.00	0.00

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
State Bank of India – CC	0.00	0.00	0.00	0.00	10.76	0.00
Union Bank of India – CA	0.00	(0.01)	0.00	0.00	0.00	0.00
Overdraft Against Deposit						
Canara Bank - OD	40.56	79.35	102.04	0.00	0.00	0.00
Bank of Maharashtra – OD	0.00	224.77	0.00	0.00	0.00	0.00
State Bank of India – OD	0.00	196.46	0.00	0.00	0.00	0.00
TOTAL	1,525.81	1,726.03	1,222.48	719.19	873.92	181.20

ANNEXURE: VII

STATEMENT OF UNSECURED LOANS, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Unsecured Loan						
From Subsidiaries/Associates/JV						
Ashoka Infrastructures - Loan	0.00	0.00	0.00	25.86	52.13	0.00
Viva Highways Pvt Ltd	485.84	589.73	648.06	326.06	0.00	0.00
Ashoka Builders Nasik Pvt Ltd	0.00	0.00	0.00	41.75	0.00	0.00
Ashoka High-Way Ad	28.56	32.08	37.73	0.00	0.00	0.00
Viva Infrastructure	2.52	0.23	0.51	0.00	0.00	0.00
Jaiswal Ashoka Infrastructure	195.09	190.05	200.40	0.00	0.00	0.00
From Shareholders & Directors						
Aditya S.Parakh	0.00	0.00	0.00	0.00	0.11	0.00
Asha Katariya	0.00	0.00	0.00	2.10	1.83	0.00
Satish D.Parakh (HUF)	0.00	0.00	0.00	4.59	4.26	0.00
Satish D.Parakh	0.00	0.00	0.00	3.05	3.94	0.00
Shobha S Parakh	0.00	0.00	0.00	0.59	0.38	0.00
Snehal S.Parakh	0.00	0.00	0.00	0.88	0.98	0.00
Asha Ashok Katariya	0.00	0.00	0.00	0.00	0.02	0.00
Ashok M. Katariya	0.00	0.00	0.00	6.59	2.76	0.00
Narendra R. Shakadwipi	0.00	0.00	0.00	0.29	0.29	0.00
From Others						
Ajas Components Pvt Ltd	0.00	0.00	0.00	0.00	2.50	0.00
Associate India Services Pvt Ltd	0.00	0.00	0.00	0.00	1.07	0.00
Associated Capsules Pvt Ltd	0.00	0.00	0.00	2.54	0.00	0.00
Pam Pharmaceuticals Pvt Ltd	0.00	0.00	0.00	0.00	2.54	0.00
Rajdeep Buildcon Pvt Ltd - ICD	0.00	0.00	0.00	0.00	0.15	0.00
RBPL Classic Infrastructure Pvt Ltd	0.00	0.00	0.00	6.24	13.02	0.00
Rajdeep Publicity Pvt. Ltd.	0.00	0.00	0.79	0.00	0.00	0.00
TOTAL	712.02	812.11	887.49	420.54	86.00	0.00

ANNEXURE: VIII

STATEMENT OF LOANS & ADVANCES, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Advances and loans to Subsidiaries						
Advances and loans to Subsidiaries	222.27	188.67	53.17	26.14	18.86	52.83
Advances and loans to Partnerships Firms / JVs under same Management	1.77	0.56	200.42	82.72	110.49	4.89
Advances and loans to Companies under same Management	15.70	30.12	25.49	81.40	108.75	259.28
Advances Recoverable in cash or kind or for value to be received	203.85	202.66	131.62	130.70	27.33	12.58
Deposits	99.75	124.44	131.54	9.09	196.08	8.55
Advance Income Tax / Tax Deducted at Source	80.31	83.16	22.93	19.21	15.69	13.63
TOTAL	623.65	629.61	565.18	349.26	477.20	351.76

ANNEXURE: IX

STATEMENT OF SUNDRY DEBTORS, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
Outstanding for period exceeding Six Months	162.02	71.16	106.80	62.55	68.79	24.90
Other Debtors	127.07	221.65	370.63	110.18	32.24	30.12
Less: Provision for doubtful debts	3.13	2.38	0.00	0.00	0.00	0.00
TOTAL (Balance considered good)	285.95	290.42	477.43	172.73	101.03	55.02

ANNEXURE: X

STATEMENT OF INVESTMENTS, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
A) Non-Trade (unquoted at Cost)						
a) National Saving Certificates	0.19	0.19	0.19	0.14	0.13	0.01
b) Fully paid shares of Co-operative Banks / Societies	0.76	0.76	0.76	0.78	0.99	0.19
c) **Equity Shares of Rs. 10/- each fully paid in subsidaiary / associate / JV**						
Ashoka Info Pvt. Ltd.	0.00	0.00	0.00	0.00	0.00	0.03
Ashoka Infra Pvt. Ltd.	0.00	0.00	0.00	0.00	0.00	0.05
Viva Highways Private Limited	358.43	358.43	66.31	66.31	66.31	2.08
Ashoka Infrastructures Limited	220.60	220.60	59.95	59.95	59.95	
Ashoka DSC Katni By Pass Road Pvt. Ltd.	29.97	29.97	0.05	0.05	0.02	0.02
Ashoka Infraways Private Limited	49.60	49.60	32.56	32.56	32.56	0.06
Ashoka Highways (Bhandara)Ltd	0.45	0.00	0.00	0.00	0.00	0.00
Ashoka Highway (Durg) Ltd	0.45	0.00	0.00	0.00	0.00	0.00
d) **Preference Shares fully paid in subsidaiary / associate / JV**						
12% of Rs. 10/- each of Ashoka Infrastructures Limited	217.57	217.57	215.12	157.12	154.30	0.00
10% of Rs. 100/- each of Ashoka Infraways Pvt. Ltd.	71.63	71.63	12.79	12.79	12.79	0.00
e) **Investment in Joint Venture / Partnership Firms**						
Ashoka Infrastructures	99.22	59.17	116.44	67.02	63.71	5.87
Ashoka Highway Ad.	23.35	22.01	20.42	18.92	17.33	12.48
Ashoka Bridgeways	16.97	2.39	0.00	8.75	8.34	1.51
f) **Equity Shares of Rs. 10/- each fully paid in others**						
Jaiswal Ashoka Infrastructure Pvt. Ltd.	136.54	136.54	135.60	135.60	135.60	0.45
Viva Infrastructure Pvt. Ltd.	104.01	104.01	103.92	103.92	103.92	19.95
g) **Preference Shares fully paid in others**						
12% Preference Share of Rs.100/- each of Viva Infrastructure Pvt. Ltd.	333.81	333.81	152.74	152.74	152.74	0.00
h) **Subscription to Memorandum of Association in**						
Ashoka Highways (Bhandara) Ltd.	0.00	0.45	0.00	0.00	0.00	0.00
Ashoka Marg Nirman (Durg) Ltd.	0.00	0.45	0.00	0.00	0.00	0.00
TOTAL	1,663.54	1,607.57	916.84	816.64	808.67	42.70

ANNEXURE: XI

STATEMENT OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Sundry Creditors	207.77	194.05	270.81	172.42	240.80	360.12
Security Deposits form Labour Contractors	53.22	34.80	16.36	9.02	12.18	22.96
Advances from Customers	108.60	96.38	53.47	270.29	277.48	206.10
Other Liabilities	239.99	234.86	35.31	51.27	124.81	92.78
PROVISIONS						
For Income Tax	50.20	36.20	14.95	8.26	7.18	7.46
For Fringe Benefit Tax	6.03	3.04	1.96	0.00	0.00	0.00
Provision for Unencashed Leave and Gratuity	7.07	5.55	2.29	1.19	0.38	0.18
TOTAL	672.88	604.87	395.16	512.44	662.82	689.59

ANNEXURE: XII

STATEMENT OF OTHER INCOME, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Interest (Including TDS)	45.89	77.36	30.06	11.59	19.90	5.78
Miscelleanous Income	9.23	14.85	15.96	6.91	2.35	1.96
Claim / Rebate and Relief	0.00	1.20	0.00	0.00	28.32	0.00
Profit from JV & Partnership Project	20.03	47.46	61.21	59.92	52.01	3.37
Hire charges of Machinery/Vehicle	0.00	17.56	22.65	24.37	10.23	0.00
TOTAL	75.15	158.44	129.88	102.78	112.82	11.11

Note :

- Other than Claim / Rebate and relief all the other income items are of recurring and a part of the business activities

ANNEXURE: XIII

STATEMENT OF CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS
CONTINGENT LIABILITIES

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Bank Guarantees and Letters of Credit issued by bankers in favour of third parties	1,022.45	1,300.90	688.72	296.48	426.28	360.67
Corporate Guarantee issued by the Company in favour of Banks/ Financial Institutions for finance raised by Companies under the same management	3,671.15	3,457.55	3,631.41	3,121.99	2,284.54	1,361.61
Claims / Dispute against the Company not acknowledged as debts.	0.67	0.67	0.67	0.00	0.00	0.00
Disputed tax demands (net of taxes paid)	3.94	9.70	0.00	0.00	0.00	0.00
TOTAL	4,698.20	4,768.82	4,320.80	3,418.47	2,710.82	1,722.28

CAPITAL COMMITMENTS

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Liability against capital commitment outstandings	258.92	816.15	718.91	0.00	0.00	0.00
TOTAL	258.92	816.15	718.91	0.00	0.00	0.00

ANNEXURE: XIV

STATEMENT OF DIVIDENDS DECLARED / PAID / PROPOSED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00

ANNEXURE: XV

STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

(All figures in Rupees million)

	Particulars	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
(A)	Networth (Rs.)	2,797.90	2,726.25	1,576.26	1,490.38	1,374.10	120.01
(B)	Adjusted Profit after Tax (Rs.)	104.80	146.38	86.18	112.28	59.35	25.64
(C)	No. of Shares outstanding at the end	5,607,881	5,607,881	4,326,784	4,326,784	4,326,784	400,000
(D)	Weighted average number of shares outstanding	5,607,881	5,187,239	4,326,784	4,326,784	4,326,784	400,000
(E)	Weighted average number of shares outstanding (Diluted)	5,607,881	5,187,239	4,326,784	4,332,001	4,388,721	746,175
(B/D)	Earnings per Share (EPS) (Rs.)	18.69	28.22	19.92	25.95	13.72	64.10
(B/E)	Earnings per Share - Diluted (EPS) (Rs.)	18.69	28.22	19.92	25.92	13.52	34.36
(B/A)	Return on Net worth (%)	3.75%	5.37%	5.47%	7.53%	4.32%	21.36%
(A/C)	Net Asset Value per Share (Rs.)	498.92	486.15	364.30	344.45	317.58	300.02

Notes:

1. The above ratios are calculated as under

$$\text{EPS} = \frac{\text{Net profit after tax, as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period}}$$

$$\text{Return on Networth} = \frac{\text{Net profit after tax, as restated}}{\text{Net worth, as restated, at the end of the period}}$$

$$\text{Net Asset Value per Share} = \frac{\text{Net worth, as restated, at the end of the period}}{\text{Number of equity shares outstanding at the end of the period}}$$

2. The figures disclosed above are based on the restated financial information
3. Earnings per Share (EPS) calculations are done in accordance with the Accounting Standard 20, Earnings per Share' issued by Institute of Chartered Accountants of India.

ANNEXURE: XVI

STATEMENT OF CAPITALISATION AS AT SEPTMEBER 30, 2007

(All figures in Rupees million)

Particulars	Pre Issue As At 30-Sep-07	Post Issue*
- Long Term Debt	1,484.02	
- Short Term Debt	753.81	
Share holders' funds :		
Share Capital	210.41	
Security Premium	1,848.09	
Preference Share redemption Reserve	167.87	
Profit and Loss Account	571.54	
Less :		
Preference Share	154.33	
Preference Share redemption Reserve	167.87	
Total Share holders' funds	2,475.71	
Long Term Debt to Equity	0.60 : 1	

Annexure XVII

STATEMENT OF RELATED PARTY TRANSACTIONS
Transactions with Related Parties

(All figures in Rupees million)

	Particulars	Parties Where Control Exists					Associates And Joint Ventures					Key Management Personnel				
		2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07
1	Contract Receipts		304.67	31.80		221.88	864.55	967.77	356.97	582.75	317.26					
	Sub Contract Payments															
	Reimbursement of expenses paid	0.06					0.12	0.71	3.93	0.27				0.01	0.03	
	Reimbursement of Exp. Received	1.06					14.83	0.43	0.76	2.76						
	Salary Paid												6.90	7.04	9.35	12.04
	Retainership Paid															
	Commission Paid															
	Machinery / Vehicle Charges Paid						0.01						0.82	0.56	0.51	
	Machinery / Vehicle Charges Received								0.10	0.03						0.08
	Material Sold															
	Interest Paid				0.06	69.93		0.04	5.29	44.54	21.09		0.72	2.07	0.98	
	Interest Received				2.79	17.34			0.06	11.25					0.01	
	Sale of Material					1.68		7.61	129.44	49.92	0.47					
	Purchase of Material						0.17		0.32	0.32						
	Investment in															
	- Equity / Pref Shares		45.29			0.31	21.97	251.34	2.86	58.00						
	- Share Application						10.05		8.75							
	- Partnership Firms						6.35									
	- Joint Ventures						2.01									
	Share Application Received	43.66		0.87			3.69		0.38							
	Share Application Refund			18.92						0.38						
	Purchases of shares					93.53					283.67					4.43

	Particulars	Parties Where Control Exists					Associates And Joint Ventures					Key Management Personnel				
		2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07
	Guarantees Issued		360.00	3.40	10.00		1181.70	1220.32	615.40	765.00			1.91		5.59	
	Guarantees Received															
	Loan Taken				30.00	429.10		28.84	306.71	816.90	289.51		0.64	7.35	1.67	21.28
	Loans Repaid								50.45				6.50	5.94		
	Loans Given		11.85	41.82	37.26	17.82		6.00	2.61		1.33		0.07			
	Loans Refund			15.68	30.00			0.07	13.58	246.22					11.55	
	Outstanding Payable						10.00									
	- for purchases															
	- for loans															
	Outstanding Receivables															
	- For Purchases/services	0.2					21.72									

Annexure XVII

Transactions with Related Parties

(All figures in Rupees million)

	Particulars	Director and their Relatives					Enterprises in which key management or Directors have significant influence				
		2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07
1	Contract Receipts								1378.25	284.80	
	Sub Contract Payments		3.70				406.77	483.11	367.81	191.52	39.34
	Reimbursement of expenses paid						46.91	5.29	13.67	1.60	
	Reimbursement of Exp. Received	0.94					8.98	32.07	18.36	0.58	
	Salary Paid		0.81	3.17	0.19						
	Rent Paid			0.36	0.36						
	Retainership Paid		0.27	0.06							
	Commission Paid		0.12				0.65	1.04	0.51	037	
	Machinery / Vehicle Charges Paid	2.51	2.57	1.90	1.70		27.59	36.85	22.82	0.90	0.25
	Machinery/ Vehicle Hire Charges Recived					0.63		13.73	2.46	0.73	0.80
	Repairs And Maintenance							0.01			
	Interest Paid	0.09	1.79	0.56	1.00				0.41		
	Interest Received					0.28			3.40	0.57	0.06
	Sale of Material						0.12	6.21	0.18	3.64	7.91
	Purchase of Material					87.13		0.60	2.21	7.37	6.19
	Purchase of Fixed Assets							0.42			
	Investment in										
	- Equity Shares										
	- Share Application										
	- Partnership Firms										
	- Joint Ventures										
	Share Application Received	5.33					34.53				

	Particulars	Director and their Relatives					Enterprises in which key management or Directors have significant influence				
		2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07
	Purchases of shares					1.04					329.62
	Guarantees Issued			0.33			179.91	6.50		41.49	
	Guarantees Received						777.18	820.00		1950.00	
	Loan Taken		0.76	0.51	023				51.38		32.09
	Loans Repaid		1.53	0.76					12.10		
	Loans Given			0.17		3.00		26.48	143.26		51.54
	Loans Refund				8.65			27.74	72.44		
	Outstanding Payable	2.67					14.52				
	- for purchases										
	- for loans										
	Outstanding Receivables						132.25				
	- For Purchases/services										

ANNEXURE XVIII
STATEMENT OF TAX SHELTERS
TAX SHELTER STATEMENT

(All figures in Rupees)

SR NO.	PARTICULARS	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
A	**Profit/(Loss) Before Tax**	122.05	159.89	120.54	109.88	93.22	38.21
B	**Tax Rate**	33.99%	33.66%	33.66%	36.59%	35.88%	36.75%
C	**Tax thereon at above rate**	**41.48**	**53.82**	**40.57**	**40.21**	**33.44**	**14.04**
D	**Permanent Differences**						
	Income Exempt from Tax	145	190.47	117.47	85.38	52.01	3.37
	Other Adjustments (LTCG/STCG)		1.02	0.83	-3.47	-3.24	-0.58
E	**Timing Differences**						
	Depreciation	(47.67)	(72.06)	(67.89)	(10.11)	(11.31)	11.94
	Preliminary Expenses	0.00	2.30	0.10	0.11	0.17	0.00
	Amounts inadmissible u/s 43B (b)	0.00	(7.05)	(0.47)	0.28	0.45	3.39
	Amounts inadmissible u/s 40(a)	0.00	(4.63)	38.40	(44.52)	0.00	0.00
	Set off of brought forward losses	0.00	0.00	0.00	69.12	55.13	0.00
F	**Total Timing Differences**	**(47.67)**	**(81.44)**	**(29.85)**	**14.88**	**44.44**	**15.33**
G	**Net Adjustments (D+F)**	**97.06**	**110.06**	**88.44**	**96.79**	**93.22**	**18.13**
H	Tax (Saving) /Burden thereon	32.99	37.04	29.77	35.42	33.44	6.66
	Penalty						
	Tax on Income at other than notional rates						
	Interest on Tax Liability						
I	**Tax on net adjustments**	**32.99**	**37.04**	**29.77**	**35.42**	**33.44**	**6.66**
J	**NET TAX LIABILITY(C + I)**	**8.49**	**16.77**	**10.80**	**4.79**	**0.00**	**7.38**
K	**Payment under MAT**	**14.00**	**0.00**	**0.00**	**8.34**	**7.02**	**0.00**

ANNEXURE XVIII
STATEMENT OF SEGMENT REPORTING

(All figures in Rupee millions)

			Year / Period Ended				
		30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
1	**Segment Revenue**						
	a) Construction and contract related Activity	1,040.40	2,445.41	1,181.32	777.60	1,478.87	1,392.56
	b) BOT	169.03	280.50	218.72	219.45	208.73	0.00
	c) Toll Collection Contract	0.00	345.40	20.42	0.00	3.68	21.23
	d) Sales of Goods	330.88	487.49	273.00	311.55	131.31	115.05
	Total	1,540.30	3,558.80	1,693.46	1,308.60	1,822.59	1,528.83
	Less : Inter-segment	(7.47)	(5.63)	(25.62)	(15.30)	(11.45)	(44.83)
	Net sales / income from operations	1,532.83	3,553.17	1,667.84	1,293.30	1,811.14	1,484.00
2	**Segment Results**						
	a) Construction and contract related Activity	120.80	237.39	110.49	78.51	71.51	80.33
	b) BOT	75.53	108.71	76.93	71.05	71.84	(11.35)
	c) Toll Collection Contract	0.00	16.88	2.49	0.00	(1.29)	0.00
	d) Sales of Goods	9.92	9.55	(8.54)	3.01	(6.56)	4.35
	Total	206.25	372.53	181.37	152.56	135.49	73.34
	Less : Inter-segment						
	Add : Unallocated income	75.15	158.44	129.17	102.78	112.82	11.11
	Less : Unallocated Expenses	(158.56)	(370.51)	(192.34)	(143.45)	(155.25)	(46.25)
	Profit before Tax	122.84	158.18	118.20	111.90	93.05	38.20
	Less Prior Period Adjustments	0.00	0.00	0.00	0.00	0.00	0.00
	Less : Provisions for Current Taxes	(15.68)	(14.14)	(17.83)	(6.12)	(9.84)	(7.49)
	Less : Provisions for Deferred Taxes	(0.69)	2.35	(14.98)	7.95	(25.97)	(5.18)
	Less : Last year Taxes	(1.68)					
	Net Profit after Tax	104.80	146.38	85.38	113.72	57.24	25.53
3	**Segment Assets**						
	a) Construction and contract related Activity	1,581.47	1,393.80	1,949.06	870.86	724.23	753.75
	b) BOT	1,183.35	1,322.08	963.92	1,065.43	1,304.96	2.06
	c) Toll Collection Contract	0.00	89.12	0.00	0.00	0.00	0.00
	d) Sales of Goods	330.84	316.81	148.47	112.39	62.40	48.29
	Total	0.00	0.00	0.00	0.00	0.00	0.00
	Add : Corporate and other unallocable Assets	2,638.12	2,771.91	1,046.76	1,105.69	924.24	200.88
		5,733.77	5,893.72	4,108.20	3,154.37	3,015.83	1,004.98
4	**Segment Liabilities**						
	a) Construction and contract related Activity	835.53	863.47	573.21	575.46	761.46	764.74
	b) BOT	1,134.37	790.96	904.94	546.01	681.62	20.59
	c) Toll Collection Contract	0.00	0.42	0.00	0.00	0.00	0.00
	d) Sales of Goods	132.72	96.80	88.02	62.80	63.36	40.30
	Total	0.00	0.00	0.00	0.00	0.00	0.00
	Add : Corporate and other	816.33	1,417.39	966.31	479.78	135.62	59.23

			Year / Period Ended				
		30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
	unallocable Liabilities						
		2,918.95	3,169.02	2,532.49	1,664.05	1,642.05	884.86
5	**Depreciation**						
	a) Construction and contract related Activity	33.56	54.44	47.28	28.93	26.12	20.88
	b) BOT	77.57	144.07	124.39	130.45	120.91	0.00
	c) Toll Collection Contract	0.00	0.00	0.00	0.00	0.00	0.00
	d) Sales of Goods	11.87	17.75	11.08	7.69	4.06	4.60
	Total	123.00	216.26	182.75	167.08	151.09	25.48

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors

M/s Ashoka Buildcon Ltd.

Ashoka House, Ashoka Marg,

Nasik.422 011.

Dear Sirs,

1. We have examined the consolidated financial information of M/s Ashoka Buildcon Ltd. the "Company") its subsidiaries, joint ventures and associates (collectively referred to as "the Group"), annexed to this report, as approved by the Board of Directors of the Company, in terms of:
   - ❖ Paragraph B of Part II part of Schedule II of the Companies Act, 1956;
   - ❖ Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('Guidelines') issued by the Securities and Exchange Board of India (SEBI), as amended to date; and
   - ❖ Our engagement letter agreed upon with you with the proposed issue of equity shares of the Company.

2. The consolidated financial information has been extracted by the Company's management from the Group's audited consolidated financial statements for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 and six months ended September 30, 2007 audited by us and approved by the Company's Board of Directors.

3. We did not audit the stand alone financial statements of the holding company, its subsidiaries, joint ventures and associates for the financial years ended March 31, 2003, 2004, 2005, and 2006. We did not audit the financial statements of certain associates for the year ended March 31, 2007 and of certain subsidiaries and associates for the half year ended September 30, 2007 and our opinion in so far as it relates to the amounts included in the summary statement of consolidated assets and liabilities, profit and loss and cash flows is based solely on the reports of the other auditors. Details of auditors of each company that has been consolidated including total assets, total revenue and profits are as detailed below:

Financial year ended	Name of the company	Name of the auditor	Total assets	Total revenue	Profit/(loss) after tax
2002-03	Holding Company				
	Ashoka Buildcon Ltd.	Rathi Daga & Co.	388.85	-	-
	Subsidiaries				
	Ashoka Infraways Pvt. Ltd.	Rathi Daga & Co.	128.73	-	-
	Joint Ventures				
	Ashoka High-way Ad	Rathi Daga & Co	31.57	1.47	-
	Associates				
	Ashoka DSC Katni Bypass Road Pvt. Ltd.	Sanjay. V. Goyal & Co.	-	-	-
2003-04	Holding Company				
	Ashoka Buildcon Ltd.	Rathi Daga & Co.	2,379.42	1,923.66	-

Financial year ended	Name of the company	Name of the auditor	Total assets	Total revenue	Profit/(loss) after tax
	Subsidiaries				
	Ashoka Infraways Pvt. Ltd.	Rathi Daga & Co.	549.20	-	-
	Joint Ventures				
	Ashoka Infrastructure	Rathi Daga & Co.	157.66	51.96	-
	Ashoka High-way Ad	Rathi Daga & Co	33.36	11.43	-
	Associates				
	Ashoka DSC Katni Bypass Road Pvt. Ltd.	Sanjay. V. Goyal & Co.	-	-	-
	Viva Infrastructure Pvt. Ltd.	Rathi Daga & Co.	-	-	-
	Jayaswals Ashoka Infrastructures Pvt.Ltd.	Agarwal Challani & Co.	-	-	8.43
2004-05	Holding Company				
	Ashoka Buildcon Ltd.	Rathi Daga & Co.	2660.05	1396.03	-
	Subsidiaries				
	Ashoka Infraways Pvt.Ltd.	Rathi Daga & Co.	543.84	58.96	-
	Joint Ventures				
	Ashoka High-way Ad	Rathi Daga & Co	32.94	13.65	-
	Ashoka Infrastructure	Rathi Daga & Co.	120.15	59.57	-
	Associates				
	Ashoka DSC Katni Bypass Road Pvt. Ltd.	Sanjay. V. Goyal & Co.	-	-	-
	Viva Infrastructure Pvt. Ltd.	Rathi Daga & Co.	-	-	(0.03)
	Jayaswals Ashoka Infrastructures Pvt. Ltd.	Agarwal Challani & Co.	-	-	13.63
2005-06	Holding Company				
	Ashoka Buildcon Ltd.	Rathi Daga & Co.	3713.07	1797.001	-
	Subsidiaries				

Financial year ended	Name of the company	Name of the auditor	Total assets	Total revenue	Profit/(loss) after tax
	Ashoka Infraways Pvt.Ltd.	Rathi Daga & Co.	522.29	73.53	-
	Joint Ventures				
	Ashoka High-way Ad	Rathi Daga & Co	72.66	20.62	-
	Ashoka Infrastructure	Rathi Daga & Co.	118.60	53.57	-
	Associates				
	Ashoka DSC Katni Bypass Road Pvt. Ltd.	Sanjay. V. Goyal & Co.	-	-	-
	Ashoka Infrastructure Ltd.	C.B.Alizad & Co.	-	-	(9.19)
	Viva Infrastructure Pvt.Ltd.	Rathi Daga & Co.	-	-	(0.01)
	Jayaswals Ashoka Infrastructures Pvt.Ltd.	Agarwal Challani & Co.	-	-	4.60
2006-07	Subsidiaries				
	Ashoka DSC Katni Bypass Road Pvt. Ltd.	Sanjay. V. Goyal & Co.	-	-	-
	Associates				
	Viva Infrastructure Pvt.Ltd.	Rathi Daga & Co.	-	-	1.00
	Jayaswals Ashoka Infrastructures Pvt.Ltd.	Agarwal Challani & Co.	-	-	22.09
Half Year ended September 30, 2007	Subsidiaries				
	Ashoka DSC Katni Bypass Road Pvt. Ltd.	Sanjay. V. Goyal & Co.	-	-	-
	Associates				
	Viva Infrastructure Pvt.Ltd.	Rathi Daga & Co.	-	-	0.61
	Jayaswals Ashoka Infrastructures Pvt. Ltd.	Agarwal Challani & Co.	-	-	21.15

4. In accordance with the requirements of of Pragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

(a) The consolidated restated summary statement of assets and liabilities, consolidated restated summary statement of profits and losses and consolidated restated statement of cash flows of the Company, as at March 31, 2003, 2004, 2005 2006, 2007 and the six months ended September 2007 examined by us as set out in the **Annexure I, II and III** to this report are

after making adjustments and regrouping as in our opinion were appropriate and more fully described in the notes on adjustments for restated financial statements and significant accounting policies for the restated financial statements as set out in **Annexures IV and V**.

(b) Based on our examination above we are of the opinion that that the consolidated restated financial information has been made after incorporating:

(i) adjustments for the material amounts in the respective financial years to which they relate, and

(ii) adjustments for qualifications retrospectively in the respective financial years to reflect the accounting treatment to be followed had there been no qualification

(c) Based on our examination, we are of the opinion that the consolidated restated financial statements have been prepared on the basis of accounting policies adopted as at and for the six months ended September 30, 2007.

(d) There are no extraordinary items which need to be disclosed separately in the consolidated restated financial information

5. We have also examined the following other financial information set out in the below mentioned annexures prepared by the management and approved by the Board of Directors relating to the Company for the years ended March 31, 2003, 2004, 2005, 2006, 2007 and the six months ended September 30, 2007

(i) Statement of Secured and Unsecured Loans included in **Annexure VI & VII**
(ii) Statement of Loans & Advances included in **Annexure VIII**
(iii) Statement of Sundry Debtors included in **Annexure IX**
(iv) Statement of Investments included in **Annexure X**
(v) Statement of Current Liabilities and Provisions included in **Annexure XI**
(vi) Statement of Other Income included in **Annexure XII**
(vii) Statement of Contingent Liabilities and Capital Commitments included in Annexure XIII
(viii) Statement of Dividend paid/proposed included in **Annexure XIV**
(ix) Statement of Accounting Ratios included in **Annexure XV**
(x) Statement of Capitalisation included in **Annexure XVI**
(xi) Statement of Related Parties included in **Annexure XVII**
(xii) Statement of Segment Reporting included in **Annexure XVIII**

6. In our opinion the financial information contained in **Annexure I to XVIII** of this report read along with the Significant Accounting Policies, and Notes to accounts prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

7. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report and should not be used, referred to or distributed for any other purpose except with our prior written consent.

For M P Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner
ICAI M. No. 41037

Mumbai,
December 21, 2007

ANNEXURE: I

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(All figures in Rupees million)

			As At				
		30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
A.	**ASSETS :**						
	Fixed assets - Gross block	1,021.57	910.92	568.66	498.43	300.13	219.80
	Less: Depreciation	278.03	227.48	149.16	124.98	91.31	59.67
	Net block (1)	743.54	683.44	419.50	373.45	208.82	160.13
	InTangible Assets						
	Fixed assets - Gross block	4,561.04	4,561.03	1,856.55	1,831.26	1,271.87	33.04
	Less: Depreciation	1,411.22	1,184.96	427.04	299.38	123.42	0.87
	Net block (2)	3,149.82	3,376.07	1,429.51	1,531.88	1,148.45	32.17
	Add : Capital WIP (3)	1,046.88	617.13	48.17	9.96	530.03	156.92
	Total (A = 1 + 2 + 3)	**4,940.24**	**4,676.64**	**1,897.18**	**1,915.29**	**1,887.30**	**349.21**
B.	**INVESTMENTS (B)**	**705.65**	**662.32**	**755.29**	**709.43**	**718.50**	**30.16**
C.	**CURRENT ASSETS, LOANS & ADVANCES :**						
	Inventories	702.66	588.59	297.21	191.04	58.33	112.02
	Sundry debtors	232.23	226.85	466.35	144.17	97.08	55.02
	Cash & bank balances	850.32	1,389.87	473.39	275.03	234.71	207.50
	Loans and advances	501.68	490.98	526.51	348.45	472.44	299.57
	Total (C)	**2,286.89**	**2,696.29**	**1,763.46**	**958.69**	**862.55**	**674.11**
	TOTAL ASSETS (A + B +C)	**7,932.79**	**8,035.25**	**4,415.93**	**3,583.41**	**3,468.35**	**1,053.48**
D.	**LIABILITIES AND PROVISIONS :**						
	Unsecured loans	197.62	190.29	888.06	440.51	72.34	0.00
	Secured Loans	3,863.68	4,185.30	1,569.76	1,095.96	1,271.76	198.10
	Minority Interest	131.12	126.04	56.32	65.58	77.41	0.66
	Deferred tax liability	30.44	31.85	26.81	11.82	18.99	14.02
	Current liabilities & provisions :						
	Current liabilities	646.70	570.08	384.18	530.28	687.26	713.06
	Provisions - Staff benefits	7.66	5.88	2.28	1.19	0.37	0.18
	Provisions for taxation	64.74	52.37	17.02	8.26	7.18	7.46
	Total (D)	4,941.96	5,161.81	2,944.43	2,153.60	2,135.32	933.48
E.	**NET WORTH**						
	Represented by:						
	Share capital	210.41	224.21	211.40	211.40	211.40	65.00
	Security premium (Net of Share Issue Expenses)	1,848.09	1,858.90	856.01	904.96	950.32	0.00
	Preference Share redemption Reserve	167.87	176.39	211.25	163.20	115.15	0.00
	Profit and loss account	765.43	613.98	192.84	150.25	56.16	55.16
	Less: Preliminary / share issue expenses not written off	0.97	0.04	0.00	0.00	0.00	0.16
	Total (E)	2,990.83	2,873.44	1,471.50	1,429.81	1,333.03	120.00
	TOTAL LIABILITIES (D + E)	7,932.79	8,035.25	4,415.93	3,583.41	3,468.35	1,053.48

ANNEXURE: II
SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(All figures in Rupees million)

		Year / Period Ended				
	30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
INCOME :						
Turnover						
- Contract	756.79	2,229.00	1,165.26	725.98	1,156.65	1,392.55
- Sales	321.58	480.18	247.38	296.25	119.86	70.22
- Toll Income – BOT	546.47	976.31	358.30	349.64	271.44	1.37
- Toll Income - Contract	0.00	345.40	20.42	0.00	3.68	21.23
Total Turnover	1,624.84	4,030.89	1,791.36	1,371.87	1,551.63	1,485.37
Other Income	90.21	158.80	66.85	57.83	69.67	12.85
TOTAL INCOME	**1,715.05**	**4,189.69**	**1,858.21**	**1,429.70**	**1,621.30**	**1,498.22**
EXPENDITURE :						
Contract / O & M Expenses *	640.81	2,038.62	965.37	628.24	1,155.95	1,303.88
Cost of Material Sold	254.92	374.02	221.90	240.59	45.00	34.42
Toll Expenses	0.00	316.88	17.92	0.00	4.98	32.58
Staff Expenses	69.24	117.77	65.86	51.15	42.88	9.02
Administrative Expenses	50.10	126.22	68.18	49.58	37.06	19.97
Finance Costs	238.61	451.77	212.24	162.49	157.17	33.69
Depreciation	39.36	79.04	61.44	38.56	32.11	25.48
Amortisation	239.71	423.50	181.49	179.94	122.52	0.87
TOTAL EXPENDITURE	**1,532.76**	**3,927.82**	**1,794.40**	**1,350.55**	**1,597.67**	**1,459.91**
Net Profit before tax and prior period items	182.29	261.87	63.81	79.15	23.63	38.31
Provision for taxation :						
Current Tax (Net)	23.75	23.64	15.90	6.12	10.06	7.49
Deferred Tax	(1.40)	(6.72)	14.98	(7.95)	25.97	5.18
Fringe Benefit Tax	2.00	1.88	2.11	0.00	0.00	0.00
Net Profit before prior period items and Adjustments	157.94	243.07	30.82	80.98	(12.40)	25.64
ADJUSTMENTS (see Annexure IV)						
ADJUSTMENTS (see Note 1 of Annexure IV)	0.00	(1.54)	0.67	(1.42)	0.40	0.11
Current Tax Impact of Adjustments	0.00	0.49	(0.50)	0.26	(0.28)	(0.04)
NET PROFIT BEFORE MINORITY INTEREST	157.94	244.12	30.65	82.13	(12.53)	25.57
Profit / Loss transferred to Minority Interest	16.67	1.87	(11.94)	(11.96)	0.00	0.00
Net Profit attributable to Shareholders	141.27	242.25	42.59	94.09	(12.53)	25.57
Profit Brought Forward from Previous years	613.98	192.86	150.25	56.16	55.16	29.59
Profit of Merged Entities	0.00	0.00	0.00	0.00	13.53	0.00
Profit Brought Forward from Previous years of subsidiaries added	0.00	178.87	0.00	0.00	0.00	0.00
Balance carried to Balance sheet	755.25	613.98	192.84	150.25	56.16	55.16

* Net of all expenditure transferred to capital work in progress

ANNEXURE: III

STATEMENT OF CASH FLOW, AS RESTATED

(All figures in Rupee millions)

		Year / Period ended				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
A. CASH FLOW FROM OPERATING ACTIVITIES :						
Net Profit before Tax	181.54	263.41	64.66	79.67	23.30	38.11
Adjustments for :	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation / Amortisation	279.08	502.54	242.57	218.49	154.64	26.36
Investment Income	(21.78)	(23.79)	4.40	(13.04)	5.04	(2.16)
Interest (Net)	238.61	451.77	212.25	162.49	157.17	33.69
Share Issue Expenses written off	0.00	0.00	0.00	0.00	0.16	0.08
Operating Profit before Working Capital Changes	677.45	1,193.93	523.87	447.61	340.31	96.08
Adjustments for :						
Inventories	(114.07)	(291.37)	(106.17)	(132.71)	53.70	21.05
Trade and Other Receivables	(17.00)	275.03	(500.25)	76.90	(214.93)	(150.61)
Trade Payables and other payables	96.58	293.83	(143.88)	(165.58)	49.98	205.04
Cash Generated from the Operations	642.96	1,471.41	(226.42)	226.22	229.06	171.57
Direct Taxes provision	(25.75)	(25.52)	(18.01)	(5.34)	(10.06)	(7.49)
Adjustments	0.00	(1.54)	0.67	(1.42)	0.40	0.11
(Profit) / Loss transferred to minority interest	(16.67)	(1.87)	11.95	11.96	0.00	0.00
Net Cash from/(used in) Operating Activities	600.53	1,442.48	(231.81)	231.42	219.40	164.19
B. CASH FLOW FROM INVESTING ACTIVITIES :						
(Purchase) / Sales of Fixed Assets	(542.73)	(3,281.94)	(227.79)	(245.77)	(1,692.03)	(181.99)
Investments :						
(Purchase) / repayment & reduction of Investments	(33.09)	271.93	(46.76)	11.76	(686.55)	(18.55)
Share of profits/ (losses) Associates /Joint Ventures	21.78	22.45	(4.40)	13.04	8.49	5.82
Net Cash (used in) Investing Activities	(554.04)	(2,987.57)	(278.94)	(220.97)	(2,370.09)	(194.72)
C. CASH FLOW FROM FINANCING ACTIVITIES :						
Increase / (Decrease) in Share Capital	(33.14)	1,002.61	0.00	0.00	1,189.08	119.35
Proceeds from /(Repayment of) borrowings	(314.29)	1,917.76	921.36	192.36	1,146.01	46.08
Interest Paid	(238.61)	(451.77)	(212.25)	(162.49)	(157.17)	(33.69)
Net Cash from/(used in) Financing activities	(586.04)	2,468.61	709.11	29.87	2,177.91	131.74
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(539.55)	923.52	198.36	40.32	27.22	101.20
Cash & Cash Equivalent, end of year / period	850.32	1,389.87	473.39	275.03	234.71	207.50
Cash & Cash Equivalent, beginning of year / period	1,389.87	466.35	275.03	234.71	207.50	106.29
NET INCREASE IN CASH AND CASH EQUIVALENTS	(539.55)	923.52	198.36	40.32	27.22	101.20
COMPONENTS OF CASH AND CASH EQUIVALENTS						

		Year / Period ended				
	30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
Cash in hand	15.90	9.41	4.90	3.32	4.11	1.49
Balances with Banks:						
-On Current Account	76.89	223.42	58.42	69.25	62.19	25.37
-On Deposit Account	757.53	1,157.04	410.07	202.46	168.42	180.64

ANNEXURE : IV

BREAK UP OF ADJUSTMENTS / RESTATMENTS MADE IN RESTATED FINANCIAL INFORMATION

The adjustments / restatements made while preparing the Restated Financial Information are summarized below:

(All figures in Rupee millions)

		Year / Period Ended				
	30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
Net Profit After Tax and after Extraordinary items as per Audited Financial Statements	157.94	243.07	30.82	80.98	(12.40)	25.64
Restatements / Adjustments on account of :						
- Prior Period items (refer Note **1 (a)** below)	0.00	(0.74)	(0.28)	1.52	(0.90)	0.07
- Provision for Leave Encashment (refer Note **1 (b)** below)	0.00	0.00	(1.10)	(0.81)	(0.21)	(0.18)
- Adjustment of Amortisation for Prior Years (refer Note 1 **(c)** below)	0.00	2.29	0.70	0.70	0.70	0.00
Current Tax impact of Adjustments	0.00	(0.49)	0.50	(0.26)	0.28	0.04
Net Profit After Tax and after Extraordinary items as per Restated Financial Information of profits and losses	157.94	244.12	30.65	82.13	(12.53)	25.57

NOTES ON ADJUSTMENTS MADE IN THE RESTATED FINANCIAL INFORMATION

CHANGE IN ACCOUNTING POLICIES:

1 (a) In the restated financial statements prior period items are considered as expenditure / income in the fiscal year for which these items pertain to.

1 (b) Leave encashment was accounted for on payment basis till fiscal 2005-06 and no provison was made for outstanding leave. In the restated financial statements the provision for leave encashment has been made from fiscal year 2002-2003 onwards.

1 (c) In the restated financial statements mistake in calculation of depreciation are accounted for, in the respective fiscal year.

ANNEXURE: V

NOTES TO RESTATED FINANCIAL INFORMATION

A. BACKGROUND

Principles of Consolidation:

a) The consolidated financial statements include accounts of Ashoka Buildcon Ltd. (The Company / ABL) and its subsidiaries and associates. Subsidiary undertakings are those companies in which ABL, directly or indirectly, has an interest of more than one half of voting power or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the Group till the date of such control exists. The consolidated financial statements have been prepared in accordance with historical cost convention, the applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions in accordance with the Accounting Standard (AS) 21 – "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

c) Investments in the Associates have been accounted in these consolidated statements as per Accounting Standard 23 on Accounting of Investments in Associates in Consolidated Financial Statements. Investments in associate companies which have been made for temporary purposes have not been considered for consolidation.

d) The Company accounts for its share in the change on the net assets of the associates, post acquisition, after eliminating profits and losses resulting from transactions between the Company and its associates to the extent of its shares, through its Profit and Loss Account to the extent attributable t the associates' profit and loss account and through its reserves for the balance, based on available information.

e) In case of associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in associates are accounted for using the equity method in accordance with Accounting Standard 23 on Accounting of Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

f) Minority Interest's share of net assets / reserves of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

g) As far as possible, the consolidated financial statement are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. And accordingly, Amortisation / Depreciation policy has been reinstated in case of Viva Highways Pvt. Ltd.(Subsidiary) and Jaiswal Ashoka Infrastructure Pvt. Ltd. (Associate) due to which Amortisation /Depreciation reserve is reduced to the extend of 4175.25 lacs and 1142.12 lacs respectively.

h) The Companies considered in consolidated financial statements are listed below:

Sr. No.	**Name of Concern**	**Relationship**	**Percentage of ownership interest as on 31st March, 2007**
i)	Ashoka Infrastructure Ltd.	Subsidiary (Associate till 14.04.2006)	100%
ii)	Ashoka Infraways Pvt. Ltd.	Subsidiary	100%
iii)	Viva Highways Pvt. Ltd.	Subsidiary	74%
iv)	Ashoka DSC Katni Road Project	Subsidiary	99.89%

	Pvt. Ltd.		
v)	Ashoka Highway Ad	Partner	99.99%
vi)	Ashoka Infrastuctures	Member of AOP	99.99%
vii)	Ashoka Highways (Durg)Ltd	Subsidiary	89%
viii)	Ashoka Highways (Bhandara) Ltd	Subsidiary	89%

i) The Company has entered in following Joint Ventures with nature of Joint Control Operations, wherein there are no capital contribution:

i) with Bhageeratha Engineering Limited for a contract by NHAI all responsibilities, financial or otherwise, are that of the other Joint Venture member
ii) with Valecha Engineering Ltd for execution of the construction of Chittorgarh Bypass, wherein the work is to be executed separately as per agreed terms and conditions and the obligations and fortunes of the respective works is being accounted individually of their own works

Since these JV are in the nature of jointly controlled operations, the same have not been considered for consolidation as prescribed by AS-27 –Financial reporting of interest in Joint ventures.

B. SIGNIFICANT ACCOUNTING POLICIES

a) Basis & Method of Accounting:
The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis. Financial Statements are prepared under historical cost convention, in accordance with the Generally Accepted Accounting Principles in India (GAAP) and comply in all material aspects, with mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the Company are set out below. Management has made certain estimates and assumptions in conformity with the GAAP in the preparation of these financial statements, which are reflected in the preparation of these financial statements. Difference between the actual results and estimates are recognized in the period in which the results are known.

b) **Fixed Assets & Depreciation:**
i) Fixed assets are stated at cost less accumulated depreciation and any write downs for permanent diminution in value. Assets under construction are carried at cost and are not depreciated until brought into use in the business. Cost being cost of acquisition and expenditure directly attributable for commissioning of the asset including taxes, duties, cess and other levies not refundable and claimable. In respect of assets acquired on merger, fixed assets are stated at their fair market value on the effective date of merger less depreciation.

ii) Depreciation has been provided on Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956.

c) **Intangible assets & Amortization**
i) Intangible assets are carried at cost of acquisition less any subsidies or grants. These assets include all duties, non-refundable taxes, levies and costs incurred (which are directly attributable) for bringing assets into working conditions for its intended use. Intangible assets include assets that are incidental for the purpose of Toll Collection and which will be handed over at the end of the concession period. Fees incurred in order to arrange long-term financing are capitalized and amortized over the life of the asset.

ii) INTANGIBLE assets are amortized on straight line method over the useful life of the asset/ Concession period. Amortization of these Intangible Assets commences when the Right to Collect Toll is established by the Company.

d) **Investments**
Long term Investments are stated at acquisition cost. Investments acquired on merger are stated at their fair market value on the effective date of merger.

e) **Revenue Recognition:**

i) **Construction Contracts**
Revenue from long term contracts is recognized on percentage completion basis. Provisions for future foreseeable losses are fully provided for. Claims and variations for escalations/damages are recognized only when accepted by the client. Claims under arbitration/disputes are accounted as income based on final award. Expenses on arbitration are accounted as incurred.

ii) **Sales**
Sales are recognised on dispatches to customers. Sales exclude VAT and are net of incentives and discounts.

iii) **Toll Collection – BOT & Contracts**
Income from toll collection is recognised on the basis of actual collections. Sale of discounted coupons / swipe cards is recognized as income at the time of sale.

iv) Income from Joint Venture project is recognised only when the profit / income is ascertained and there is certainty and substantial precision as to amount of income.

f) **Inventory**
i) Inventory of construction / raw material is valued at cost or net realizable value whichever is less. Cost includes all taxes and expenses incurred to bringing inventory to their present location and condition. Cost is arrived at using FIFO basis.

ii) Work in Progress in respect of construction contracts is valued on the basis of technical estimates and percentage completion basis.

iii) Stores and spares are expensed as and when purchased.

g) **Retirement Benefits**

i) Provision for liabilities in respect of leave encashment are made on the basis of an actuarial valuation.

ii) Provision for gratuity liability is made on the basis of premium payable in respect of Group Gratuity Policy with an insurance company.

iii) Provident Fund benefit to employees is provided for on accrual basis and charged to Profit and Loss Account of the year

(h) **Borrowing Cost**
Borrowing costs directly attributable to acquisition and construction of capital assets are capitalized till the asset is put to use/ready for use. Borrowing costs directly attributable to construction contract project are charged to profit & loss account and are included in work in progress. All other borrowing costs are recognised as an expenditure in the period when they were incurred.

(i) **Foreign Exchange Transactions:**
Transactions in foreign currency are recorded at exchange rates prevailing on the dates of respective transactions. The difference in translation and realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss Account.

(j) **Impairment of Fixed Assets**
Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, such assets are subject to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, loss is recognised.

(i) **Taxes on income**
Tax expense comprises both current and deferred tax at the applicable enacted/substantively enacted rates. Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period.

Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

(j) **Provisions and contingencies**
Provisions are recognized when the company has a legal and constructive present obligation as a result of a past event, for which it is probable that outflow of resources will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when there is a possible obligation that may result in an outflow of resources. Contingent assets are neither recognized nor disclosed.

(k) **Deferred Grants and subsidies**
Grants and subsidies relating to investments on Fixed / Intangible assets are recognized in the financial statements by reducing the cost of the relevant assets.

C. OTHER NOTES:

a) AS 7 - Accounting for Construction Contracts:

Rs. in mln

Sr. No.	Particulars	Current Year
1)	Revenue from fixed price construction contracts are recognized on the percentage of completion period, measured by reference to the percentage of cost incurred up to the year end to estimated total cost for each contract	
2)	Total Contract revenue recognized during the year	756.79
3)	Particulars about contracts in progress at the end of the year	
a)	Aggregate amount of cost incurred up to year end	3246.08
b)	Aggregate amount of profit / Loss Recognized	251.15
c)	Retention amounts	73.12
4)	Gross Amount due from customers for contract work	16.77
5)	Gross amount due to customers for contract work	77.14

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers/technical officials, of percentage of completion and costs to completion of each project/contract on the basis of which profit/loss is allocated.

b) AS 16 – Borrowing Cost:

Rs. in mln

Particulars	Current Year
Interest Cost capitalized and charged to qualified assets during the year	1.00

c) **Related Party Transaction:**

i) Transaction during the year

Rs. in mln

Nature of Transactions	Associates	Key Management Personnel	Director Relatives	Enterprises in which Key Management Or Directors have significant influence
Contract Receipts	179.73			13.89
Sub Contract Expenses				0.69
Salary Paid		5.82	0.49	
Rendering of Services				
Receiving of Services				0.13
Interest Expenses	9.72			
Interest Income				0.10
Sale of Material				1.30
Purchase of Material			41.28	3.59
Redemption of Preference Shares	6.50	7.73	16.98	1.93

Nature of Transactions	Associates	Key Management Personnel	Director Relatives	Enterprises in which Key Management Or Directors have significant influence
Investments in :				
Share Capital (Equity & Pref.)				
Share Application Money Refund				
Purchase of Shares				
Loans Taken	21.95			
Loans / Advances Given	6.80	0.80	0.15	1.05

ii) Outstanding Balances as on 30.09.2007

Rs. in mln

Nature of Transactions		Associates	Key Management Personnel	Director and their Relatives	Enterprises in which Key Management Or Directors have significant influence
Investments made :					
Partnership Firm / Joint Venture Projects		14.58 -			
Share Application Money		 (0.90)			
Outstanding Payable :					
For Purchases / Services		25.64 (1.73)		 (0.04)	 (8.57)
For Loans Taken		195.09 (190.23)		-	
Outstanding Receivables :					
For Sales / Services / Advances		0.53 (6.62)		0.33 (0.58)	25.56 (4.28)
For Loans Given		4.28			13.09 (29.77)

d) Accounting for Operating Leases:

The Company has various operating leases for equipments and premises, the leases are renewable on periodic basis and cancelable in nature.

e) Deferred Tax - AS 22:

The components of significant timing differences that resulted in deferred tax assets and liabilities are as follows:

Rs. in mln

	30.9.07
Difference in Depreciation on Fixed Assets	(1.40)
Other Timing Differences	-
	(1.40)

The company and its subsidiaries and joint venture entities are claiming deduction under Section 80-IA of The Income tax act, 1961. Significant timing differences that result in deferred tax assets/liabilities are originating and reversing during the said tax holiday period. Consequently, the company has not provided for any deferred tax asset/liability on such non taxable income.

f) Details of Provisions:

Rs. In mln

	Opening	Provisions made during the year	Provision reversed / adjusted	Closing
Taxation	52.42	25.75	13.43	64.74
Gratuity and Leave encashment	5.89	1.77		7.66
Provision for Doubtful Debts	2.38	0.77		3.15

Outflow in respect of above provisions both timing and certainty would depend on development or outcome of these events.

g) The Company is carrying following projects as on the basis of developing, maintaining and operating infrastructure facilities, directly or through its subsidiaries and Joint Ventures viz.:

Sr. No	Name of the Project	Concession Period
	Under Toll Collection	
1	Nagar – Karmala Road Project	24th August 1999 to 4th November 2015
2	Akola Project	6th February, 2006 to 5th March, 2008
3	Sherinallah – Bridge	24th October 2000 to 22nd June 2015
4	Nashirabad Railway Over Bridge	24th July 2000 to 15th October 2009
5	Indore Edlabad Road Project	22nd September, 2001 to 31s July, 2017
6	Dewas Bye-pass Road Project	24th May, 2004 to 17th August, 2015
7	Pune Shirur Road Project	6th July, 2005 to 6th July, 2015
8	Dhule Bye pass	28-Aug-97 to 20th June 2009
9	Foot over bridges on Eastern Express Highway - NH3	16th Aug 97 to 15th May 2018
	Under Construction	
1	Nagar Aurangabad	18th December 2006 to 18 September 2017
2	Katni Bye-pass Road Project	19th Aug 2002 to 16-th Aug 2014
3	Bhandara to Maharashtra Border	18th September, 2007 to 16th March, 2028

h) Details of Investments in Partnership Firms:

Rs. In mln

Name of Partnership & Partners	Share in Profit/ Loss	Capital As At 30.9.2007
Ashoka Bridge ways		
– Ashoka Buildcon Ltd.	5.00%	2.40
– Ashoka Builders (Nasik) Pvt. Ltd.	95.00%	8.23

i) Major Maintenance Expenses:

Expenditure in the nature of major maintenance for projects under BOT are accounted for in the year in which the same are incurred.

j) The company has entered into a derivative transaction of JPY INR cross currency swap with interest rate cap protection with a settlement date of May 16, 2008, May 18, 2009 and May 17, 2010. The company has accounted interest receivable as interest from derivatives. Unrealized profit on fair value of the swap aggregating to USD 1,26,652 computed by the bank has not been accounted in the books on a prudential basis.

k) During the year, in one of the contracts, expenditure (cost) in excess of reduced contract value aggregating to approximately Rs. 3 crores, has been incurred by the company and the same has been debited to the sub-contractor's account who has duly acknowledged the receipt of details thereof. No provision for the same has been made in the books of accounts as the company has a contractual right of recovery of such excess expenditure from the back to back sub-contractor.

l) M/s Ashoka Buildcon ltd holds a 2.5% stake in a joint venture, M/s Ashoka Bridgeways. In the opinion of the management, holding of a mere 2.5% stake would not result in joint control of the entity, hence, the same has not been consolidated in the period under audit. The management has not consolidated 'investment in partnership firms' since, in the opinion of the management, they are not in the nature of a joint ventures.

m) The Company has got registered itself under The Employees Provident Fund Act for discharging provident liability of some of its subsidiaries and group companies.

n) Previous year figures have not been shown as the same are not comparable with current period, as required by AS -21.

o) Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the company's financial statements.

ANNEXURE: VI

STATEMENT OF SECURED LOANS, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Secured Loan						
From Banks						
ABN Amro Bank N.V.	36.90	52.63	35.25	49.24	0.00	0.00
Bank of Maharashtra	2.82	0.91	2.59	4.11	0.00	0.00
Centurion Bank of Punjab Ltd.	9.58	11.82	5.40	7.52	6.79	9.14
HDFC Ltd.	14.97	17.26	21.63	25.32	28.75	31.73
HDFC Bank Ltd.	0.06	0.17	1.47	0.93	0.53	0.00
ICICI Bank Limited	182.50	218.46	73.90	0.93	28.42	43.73
Kotak Mahindra Bank Ltd.	21.40	24.12	0.00	0.00	0.00	0.00
Ratanakar Bank* 20	0.00	0.00	0.59	0.00	0.00	0.00
Standard Chartered Bank	103.32	81.30	0.94	0.93	1.24	0.13
State Bank of India	0.00	0.00	0.00	0.00	9.37	17.64
Thane Janata Sah. Bank Ltd., Pune	0.00	0.00	0.00	1.50	2.30	2.98
ICICI Bank Ltd.	8.59	0.00	40.70	81.55	148.04	0.00
Axis (UTI) Bank Ltd.	186.33	224.18	291.11	349.02	297.68	0.00
Canara Bank	40.32	44.27	52.12	0.00	0.00	0.00
State Bank of India	433.49	453.99	0.00	0.00	0.00	0.00
Bank of India	186.33	201.07	0.00	0.00	0.00	0.00
Oriental Bank of Commerce	165.25	178.88	0.00	0.00	0.00	0.00
Allahabad Bank	141.10	150.89	0.00	0.00	0.00	0.00
Indian Overseas Bank	139.65	150.83	0.00	0.00	0.00	0.00
Indian Bank	84.52	90.91	0.00	0.00	0.00	0.00
From Financial Institutions						
Cholamandalam DBS Finance Ltd.	1.39	1.97	1.81	0.94	0.18	0.00
Citicorp Finance (I) Ltd.	1.56	2.30	4.00	5.73	12.67	19.28
Kotak Mahindra Primus Ltd.	0.00	0.00	0.00	0.00	0.15	0.00
Kotak Mahindra Finance Ltd.	0.00	0.00	(0.00)	0.00	0.25	0.00
L & T Finance Ltd.	2.26	2.89	4.09	0.00	0.00	0.00
Srei Infrastructure Finance Ltd.	7.11	10.61	39.47	69.90	19.19	24.57
TATA Motors Ltd.	4.65	6.41	9.79	12.70	0.00	0.00
SICOM Ltd.	0.00	0.00	123.74	153.63	240.55	15.58
Shreelekha N.S.A.L.	0.00	0.00	0.00	0.28	0.95	0.47
IDFC Ltd.	1,886.10	1,581.70	736.68	330.72	358.69	0.00
SIDBI	140.11	150.94	0.00	0.00	0.00	0.00
Shreelekha N.S.A.L.	0.00	0.00	0.00	0.62	1.01	1.31

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Cash Credit / Bill Discounting						
Axis (Uti) Bank Ltd. - CC	0.00	0.13	20.80	0.00	0.00	0.00
Bank of India - CC	0.00	2.33	1.64	0.00	0.00	0.00
Bank of Maharashtra - CC	0.00	0.00	0.00	0.00	0.00	0.00
Bank of Maharashtra - LC / BD	0.00	0.00	0.00	0.00	5.38	0.00
Canara Bank – CC	0.00	0.00	0.00	0.00	0.00	0.00
Corporation Bank - CC	0.81	0.11	0.00	0.00	0.00	0.00
Federal Bank - CC	0.42	23.61	0.00	0.00	0.00	0.00
Indian Bank - CC	0.00	0.02	0.00	0.00	0.00	0.00
Indian Bank - DL	0.00	0.00	0.00	0.00	0.00	0.00
ICICI Bank Limited, Pune	0.00	0.00	0.00	0.00	50.00	29.05
Rupee Co-op. Bank Ltd., Nashik	0.00	0.00	0.00	0.39	48.86	2.49
SICOM - BD	0.00	0.00	0.00	0.00	0.00	0.00
State Bank of India – CC	0.00	0.00	0.00	0.00	10.76	0.00
Union Bank of India – CA	0.00	(0.01)	0.00	0.00	0.00	0.00
Overdraft Against Deposit						
Canara Bank - OD	40.55	79.35	102.04	0.00	0.00	0.00
Bank of Maharashtra - OD	0.00	224.77	0.00	0.00	0.00	0.00
State Bank of India - OD	0.00	196.46	0.00	0.00	0.00	0.00
Bank of India - OD	21.59	0.00	0.00	0.00	0.00	0.00
TOTAL	3,863.68	4,185.30	1,569.76	1,095.96	1,271.76	198.10

ANNEXURE: VII

STATEMENT OF UNSECURED LOANS, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Unsecured Loan						
From Subsidiaries / Associates / JV						
Ashoka Infrastructures (Minority Interest)	0.00	0.00	0.00	0.52	1.04	0.00
Viva Highways Pvt Ltd	0.00	0.00	686.36	334.10	0.00	0.00
Jayaswals Ashoka Infrastructure Pvt. Ltd.	195.09	190.05	200.40	0.00	0.00	0.00
Ashoka Builders Nasik Pvt Ltd	0.00	0.00	0.00	41.75	0.00	0.00
Viva Infrastructure Pvt. Ltd.	2.53	0.24	0.51	37.24	37.24	0.00
From Shareholders & Directors	0.00	0.00	0.00	0.00	0.00	0.00
Aditya S.Parakh - Loan	0.00	0.00	0.00	0.00	0.11	0.00
Asha Katariya - Loan	0.00	0.00	0.00	2.10	1.83	0.00
Satish D.Parakh (HUF) - Loan	0.00	0.00	0.00	4.59	4.26	0.00
Satish D.Parakh - Loan	0.00	0.00	0.00	3.05	3.94	0.00
Shobha S Parakh-Loan	0.00	0.00	0.00	0.59	0.38	0.00
Snehal S.Parakh - Loan	0.00	0.00	0.00	0.88	0.98	0.00
Asha Ashok Katariya	0.00	0.00	0.00	0.00	0.02	0.00
Ashok M. Katariya - Loan	0.00	0.00	0.00	6.59	2.76	0.00
Narendra R. Shakadwipi - Loan	0.00	0.00	0.00	0.30	0.29	0.00
A.J.Kothari	0.00	0.00	0.00	0.00	0.05	0.00
D.J.Kothari	0.00	0.00	0.00	0.02	0.15	0.00
From Others	0.00	0.00	0.00	0.00	0.00	0.00
Ajas Components Pvt Ltd	0.00	0.00	0.00	0.00	2.50	0.00
Associate India Services Pvt Ltd	0.00	0.00	0.00	0.00	1.07	0.00
Associated Capsules Pvt Ltd	0.00	0.00	0.00	2.54	0.00	0.00
Pam Pharmaceuticals Pvt Ltd	0.00	0.00	0.00	0.00	2.55	0.00
Rajdeep Buildcon Pvt Ltd - ICD	0.00	0.00	0.00	0.00	0.15	0.00
RBPL Classic Infrastructure Pvt Ltd	0.00	0.00	0.00	6.24	13.02	0.00
Rajdeep Publicity Pvt. Ltd.	0.00	0.00	0.79	0.00	0.00	0.00
TOTAL	197.62	190.29	888.06	440.51	72.34	0.00

ANNEXURE: VIII

STATEMENT OF LOANS & ADVANCES, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Advances and loans to Subsidiaries						
Advances and loans to Partnerships Firms under same Management	1.78	0.77	200.42	82.73	110.49	4.89
Advances and loans to Companies under same Management	15.78	33.53	25.49	88.91	108.75	259.28
Advances Recoverable in cash or kind or for value to be received	275.47	232.45	132.50	124.81	28.56	12.58
Deposits	101.80	125.18	143.83	32.52	208.78	9.14
Advance Income Tax / Tax Deducted at Source	106.85	99.05	24.27	19.48	15.86	13.68
TOTAL	501.68	490.98	526.51	348.45	472.44	299.57

ANNEXURE: IX

STATEMENT OF SUNDRY DEBTORS, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Outstanding for period exceeding Six Months	101.83	71.35	95.72	33.99	69.64	24.90
Other Debtors	133.55	157.88	370.63	110.18	27.44	30.12
Less: Provision for doubtful debts	3.15	2.38	0.00	0.00	0.00	0.00
TOTAL (Balance considered good)	232.23	226.85	466.35	144.17	97.08	55.02

ANNEXURE: X

STATEMENT OF INVESTMENTS, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
A) Non-Trade (unquoted at Cost)						
a) National Saving Certificates	0.19	0.19	0.19	0.14	0.13	0.01
b) SBI Mutual Fund	0.00	0.08	0.00	0.00	0.00	0.00
c) Fully paid shares of Co-operative Banks / Societies	0.75	0.76	0.76	0.78	0.99	0.19
d) **Equity Shares of Rs. 10/- each fully paid in Associate**						
Ashoka Info Pvt. Ltd.	0.00	0.00	0.00	0.00	0.00	0.02
Ashoka Infra Pvt. Ltd.	0.00	0.00	0.00	0.00	0.00	0.05
Viva Highways Private Limited	0.00	0.00	92.99	92.46	92.46	2.08
Ashoka Infrastructure Limited	0.00	0.00	8.16	18.32	42.64	0.00
Ashoka DSC Katni By Pass Road Pvt. Ltd.	0.00	0.00	0.00	0.05	0.02	0.02
Jayaswals Ashoka Infrastructure Pvt. Ltd.	212.11	190.96	168.52	163.93	150.29	0.45
Viva Infrastructure Pvt. Ltd.	105.48	104.87	103.92	103.82	103.85	19.95
e) **Preference Shares fully paid in Associate**						
12% of Rs. 10/- each of Ashoka Infrastructure Ltd.	0.00	0.00	228.12	157.12	154.30	0.00
12% Preference Share of Rs.100/- each of Viva Infrastructure Pvt. Ltd.	28.35	333.81	152.63	165.48	165.48	0.00
Preference Shares of Rs 100 each of Jayaswals Ashoka Infrastructure Pvt. Ltd.	333.81	28.35	0.00	0.00	0.00	0.00
f) **Investment in Joint Venture / Partnership Firms**						
Ashoka Bridgeways	16.42	2.40	0.00	7.33	8.34	7.39
g) **Subscription to Memorandum of Association in**						
Ashoka Highways (Bhandara) Ltd.	0.00	0.45	0.00	0.00	0.00	0.00
Ashoka Marg Nirman (Durg) Ltd.	0.00	0.45	0.00	0.00	0.00	0.00
B) Trade (Quoted at Cost)						
a) 177903 Shares of Glory Polyfilm Ltd. Rs. 48 per share	8.54	0.00	0.00	0.00	0.00	0.00
TOTAL	705.65	662.32	755.29	709.43	718.50	30.16

ANNEXURE: XI

STATEMENT OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Sundry Creditors	215.90	186.17	275.16	190.88	265.85	370.85
Security Deposits form Labour Contractors	54.08	35.62	16.38	9.04	12.59	23.45
Advances from Customers	95.32	96.38	53.47	270.29	277.48	149.90
Other Liabilities	281.39	251.92	39.17	60.08	131.35	168.86
PROVISIONS						
For Income Tax	58.32	48.86	15.54	8.26	7.18	7.46
For Fringe Benefit Tax	6.42	3.50	1.48	0.00	0.00	0.00
Provision for Unencashed Leave and Gratuity	7.66	5.89	2.29	1.19	0.38	0.18
TOTAL	719.10	628.34	403.49	539.73	694.83	720.70

ANNEXURE: XII

STATEMENT OF OTHER INCOME, AS RESTATED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Interest	54.85	101.69	28.80	13.44	20.34	5.88
Miscelleanous Income	10.01	15.71	20.52	7.03	2.58	1.96
Claim / Rebate and relief	0.00	1.20	0.00	0.00	28.32	0.00
Profit / (Loss) from Joint Venture & Partnership	0.03	0.08	(4.40)	(0.56)	0.05	5.82
Profit from Associate Companies	21.75	22.37	0.00	13.60	8.44	0.00
Hire charges of Machinery / Vehicle	3.57	17.56	22.64	24.37	10.23	0.00
Profit on Derivatives	0.00	0.19	0.00	0.00	0.00	0.00
TOTAL	90.21	158.80	67.56	57.88	69.96	13.66

Note :

- Other than Claim / Rebate and relief all the other income items are of recurring and a part of the business activities

ANNEXURE: XIII

STATEMENT OF CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS
CONTINGENT LIABILITIES

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Bank Guarantees and Letters of Credit issued by bankers in favour of third parties	1,037.85	1,316.30	692.12	299.88	426.28	360.67
Corporate Guarantee issued by the Company in favour of Banks/ Financial Institutions for finance raised by Companies under the same management	842.75	629.15	3,203.01	2,690.89	1,804.34	1,361.61
Claims / Dispute against the Company not acknowledged as debts.	9.37	9.37	9.37	8.70	0.00	0.00
Disputed tax demands (net of taxes paid)	3.94	9.70	0.00	0.00	0.00	0.00
TOTAL	1,893.90	1,964.52	3,904.50	2,999.47	2,230.62	1,722.28

CAPITAL COMMITMENTS

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Liability against capital commitment outstandings	520.95	1,078.19	718.91	0.00	28.80	270.20
TOTAL	520.95	1,078.19	718.91	0.00	28.80	270.20

ANNEXURE: XIV

STATEMENT OF DIVIDENDS DECLARED / PAID / PROPOSED

(All figures in Rupees million)

Particulars		As At				
	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00

ANNEXURE: XV

STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

(All figures in Rupees million)

	Particulars	30-Sep-07	31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
(A)	Networth (Rs.)	2,990.82	2,873.44	1,471.50	1,429.81	1,333.03	120.00
(B)	Adjusted Profit after Tax (Rs.)	141.27	242.25	42.59	94.09	(12.53)	25.57
(C)	No. of Shares outstanding at the end	5,607,881	5,607,881	4,326,784	4,326,784	4,326,784	400,000
(D)	Weighted average number of shares outstanding	5,607,881	5,187,239	4,326,784	4,326,784	4,326,784	400,000
(E)	Weighted average number of shares outstanding (Diluted)	5,607,881	5,187,239	4,326,784	4,332,001	4,388,721	746,175
(B/D)	Earnings per Share (EPS) (Rs.)	25.19	46.70	9.84	21.75	(2.90)	63.93
(B/E)	Earnings per Share - Diluted (EPS) (Rs.)	25.19	46.70	9.84	21.72	(2.85)	34.27
(B/A)	Return on Net worth (%)	4.72%	8.43%	2.89%	6.58%	-0.94%	21.31%
(A/C)	Net Asset Value per Share (Rs.)	533.32	512.39	340.09	330.45	308.09	300.00

Notes:

1. The above ratios are calculated as under

EPS = Net profit after tax, as restated, attributable to equity shareholders / Weighted average number of equity shares outstanding during the period

Return on Networth = Net profit after tax, as restated / Net worth, as restated, at the end of the period

Net Asset Value per Share = Net worth, as restated, at the end of the period / Number of equity shares outstanding at the end of the period

2. The figures disclosed above are based on the restated financial information

3. Earnings per Share (EPS) calculations are done in accordance with the Accounting Standard 20, Earnings per Share' issued by Institute of Chartered Accountants of India.

ANNEXURE: XVI

STATEMENT OF CAPITALISATION AS AT SEPTMEBER 30, 2007

(All figures in Rupees million)

Particulars	Pre Issue As At 30-Sep-07	Post Issue*
- Long Term Debt	3,800.31	
- Short Term Debt	260.99	
Share holders' funds :		
Share Capital	210.41	
Security Premium	1,848.09	
Preference Share redemption Reserve	167.87	
Profit and Loss Account	765.43	
Less :		
Preference Share	154.33	
Preference Share redemption Reserve	167.87	
Total Share holders' funds	2,669.59	
Long Term Debt to Equity	1.42 : 1	

ANNEXURE: XVII

STATEMENT OF RELATED PARTY TRANSACTIONS

Transactions with Related Parties

(All figures in Rupees million)

	Particulars	Associates And Joint Ventures					Key Management Personnel				
		2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07
1	Contract Receipts	864.55	967.77	356.97	582.75	317.26					
	Sub Contract Payments										
	Reimbursement of expenses paid	0.12	0.71	3.93	0.27				0.01	0.03	
	Reimbursement of Exp. Received	14.83	043	0.76	2.76						
	Salary Paid							6.90	7.04	9.35	12.04
	Retainership Paid										
	Commission Paid										
	Machinery / Vehicle Charges Paid	0.01						0.82	0.56	0.51	
	Machinery / Vehicle Charges Received			0.10	0.03						0.08
	Material Sold										
	Interest Paid		0.04	5.29	44.54	17.38		0.72	2.07	0.98	
	Interest Received			0.06	11.25					0.01	
	Sale of Material		7.61	129.44	49.92	0.47					
	Purchase of Material	0.17		0.32	0.32						
	Investment in										
	- Equity / Pref Shares	21.97	251.34	2.86	58.00						
	- Share Application	10.05		8.75							
	- Partnership Firms	6.35									
	- Joint Ventures	2.01									
	Share Application Received	3.69		0.38							
	Share Application Refund				0.38						
	Purchases of shares					224.41					4.43
	Guarantees Issued	1181.70	1220.32	615.40	765.00			1.91		5.59	
	Guarantees Received										
	Loan Taken		28.84	306.71	816.90	249.83		0.64	7.35	1.67	21.28
	Loans Repaid			50.45				6.50	5.94		
	Loans Given		6.00	2.61		1.33		0.07			
	Loans Refund		0.07	13.58	246.22					11.55	
	Outstanding Payable	10.00									
	- for purchases										
	- for loans										
	Outstanding Receivables										
	- For Purchases/services	21.72									

ANNEXURE: XVII
STATEMENT OF RELATED PARTY TRANSACTIONS
Transactions with Related Parties

(All figures in Rupees million)

	Particulars	Director and their Relatives					Enterprises in which key management or Directors have significant influence				
		2002-03	2003-04	2004-05	2005-06	2006-07	2002-03	2003-04	2004-05	2005-06	2006-07
1	Contract Receipts								137.83	28.48	
	Sub Contract Payments		3.70				406.77	483.11	367.81	191.52	39.34
	Reimbursement of expenses paid						46.91	5.29	14.15	2.48	
	Reimbursement of Exp. Received	0.94					8.98	32.07	18.36	0.58	
	Salary Paid		0.81	3.17	0.19						
	Rent Paid			0.36	0.36						
	Retainership Paid		0.27	0.06							
	Commission Paid		0.12				0.65	1.03	0.51	0.37	
	Machinery / Vehicle Charges Paid	2.51	2.57	1.89	1.70		27.59	36.85	22.85	0.90	0.25
	Machinery/ Vehicle Hire Charges Recived					0.74		13.73	2.46	0.73	0.80
	Repairs And Maintenance							0.01		1.05	
	Interest Paid	0.09	1.79	0.56	0.98				0.47	2.27	
	Interest Received					0.28			3.40	0.57	10.22
	Sale of Material						0.12	6.21	0.18	3.64	7.91
	Purchase of Material					87.13		0.59	2.21	7.37	6.19
	Purchase of Fixed Assets							0.42	1.15		
	Investment in										
	- Equity Shares										
	- Share Application										
	- Partnership Firms										
	- Joint Ventures										
	Share Application Received	5.33					7.57				
	Purchases of shares					1.04					400.67
	Guarantees Issued			0.33			179.91	6.50		41.49	
	Guarantees Received						777.18	820.00		1950.00	
	Loan Taken		0.76	0.51	0.23				59.42	58.00	32.09
	Loans Repaid		1.53	0.76					12.10	30.00	
	Loans Given			0.17		3.00		26.48	143.26		183.62
	Loans Refund				8.65			27.74	72.44		
	Outstanding Payable	2.67					14.57				
	- for purchases										
	- for loans										
	Outstanding Receivables						132.25				
	- For Purchases/services										

ANNEXURE: XVIII
STATEMENT OF SEGMENT REPORTING

(All figures in Rupees million)

			Year / Period Ended				
		30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
1	**Segment Revenue**						
	a) Construction and contract related Activity	756.79	2,229.01	1,165.26	725.98	1,156.64	1,392.56
	b) BOT	546.47	976.31	358.30	349.65	271.44	1.37
	c) Toll Collection Contract	0.00	345.40	20.42	0.00	3.68	21.23
	d) Sales of Goods	321.57	480.18	273.00	311.55	131.31	115.05
	Total	1,624.84	4,030.89	1,816.98	1,387.17	1,563.08	1,530.20
	Less : Inter-segment	0.00	0.00	-25.62	-15.30	-11.45	-44.83
	Net sales / income from operations	**1,624.84**	**4,030.89**	**1,791.36**	**1,371.87**	**1,551.63**	**1,485.37**
2	**Segment Results**						
	a) Construction and contract related Activity	99.19	212.43	89.83	36.25	-33.04	65.64
	b) BOT	260.47	448.17	31.27	95.53	131.89	-2.54
	c) Toll Collection Contract	0.00	16.88	2.49	0.00	-1.29	-16.60
	d) Sales of Goods	8.09	7.87	-8.54	3.01	-6.56	4.35
	Total	**367.74**	**685.35**	**115.05**	**134.79**	**90.99**	**50.84**
	Less : Inter-segment	0.00	0.00	-31.33	0.00	0.00	0.00
	Add : Unallocated income	90.21	158.80	67.56	57.83	69.67	12.85
	Less : Unallocated Expenses	275.67	580.74	88.14	112.05	137.43	25.49
	Profit before Tax	182.29	263.41	63.14	80.57	23.23	38.20
	Less Prior Period Adjustments			0.00			
	Less : Provisions for Current Taxes	24.07	30.37	17.19	8.57	9.86	7.46
	Less : Provisions for Deferred Taxes	-1.40	-6.72	14.98	-7.95	25.97	5.18
	Less : Last year Taxes	1.68	-4.36	0.32	-2.19	-0.07	-0.01
	Less : Share of Profit / (Loss) Transferred to minority	16.67	1.87	-11.95	-11.96	0.00	0.00
	Net Profit after Tax	141.27	242.25	42.59	94.09	-12.53	25.57
3	**Segment Assets**						
	a) Construction and contract related Activity	1,521.09	1,325.23	1,559.18	822.81	714.78	759.50
	b) BOT	4,607.39	4,650.55	1,830.00	1,657.03	1,875.83	120.34
	c) Toll Collection Contract	0.00	89.12	0.00	0.00	0.00	0.00
	d) Sales of Goods	330.83	316.81	148.47	112.39	62.40	48.29
	Total	0.00	0.00	0.00	0.00	0.00	0.00
	Add : Corporate and other unallocable Assets	1,473.47	1,653.55	878.29	991.17	815.34	125.35
		7,932.78	8,035.25	4,415.94	3,583.41	3,468.36	1,053.48

			Year / Period Ended				
		30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**
4	**Segment Liabilities**						
	a) Construction and contract related Activity	835.53	836.72	618.54	635.44	807.06	634.29
	b) BOT	3,518.40	3,273.69	1,258.59	928.01	1,102.98	49.64
	c) Toll Collection Contract	0.00	0.41	0.00	0.00	0.00	0.00
	d) Sales of Goods	132.72	96.80	76.81	62.80	63.36	40.30
	Total	0.00	0.00	0.00	0.00	0.00	0.00
	Add : Corporate and other unallocable Liabilities	455.21	954.20	990.50	527.36	161.94	209.24
		4,941.86	5,161.81	2,944.43	2,153.60	2,135.33	933.48
5	**Depreciation**						
	a) Construction and contract related Activity	33.56	54.44	47.28	28.93	26.14	20.88
	b) BOT	233.65	430.29	183.66	181.17	123.73	0.88
	c) Toll Collection Contract	0.00	0.00	0.00	0.00	0.00	0.00
	d) Sales of Goods	11.87	17.75	11.08	7.69	4.06	4.60
	Total	279.08	502.48	242.02	217.79	153.93	26.36

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ON A CONSOLIDATED BASIS

You should read the following discussion of our financial condition and results of operations on a consolidated basis together with our consolidated financial statements as at and for the year ended March 31, 2004, 2005, 2006 and 2007 and as at and for the six months ended September 30, 2007 and the reports thereon and annexures thereto, which have been restated in accordance with paragraph B(1) of Part II of Schedule II to the Companies Act and with the SEBI Guidelines, and which are all included in this Draft Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page x of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. This discussion also contains forward looking statements and you should refer to the section titled "Forward-Looking Statements" on page ix of 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.

Overview

We (i) build and operate roads and bridges in India on a build, operate and transfer ("BOT") basis, (ii) construct roads, bridges, commercial buildings, industrial buildings and institutional buildings for third parties on an engineering, procurement and construction ("EPC") basis, (iii) manufacture and sell ready-mix concrete ("RMC") and convert and sell bitumen and (iv) collect tolls on roads and bridges owned and constructed by third parties (although our last contract expired in March 2007). Our business is currently organised into four divisions:

- the BOT division;
- the EPC division;
- the RMC and bitumen division; and
- the toll collection contract division

Effective April 3, 2003, Ashoka Info Private Limited, Ashoka Infra Private Limited, Ashoka Vastu Private Limited, Ashoka Vastu Shilp Private Limited, Ashoka Shilp Vikas Private Limited and Ashoka Construction Engineers Private Limited (collectively, the "Transferor Companies") were amalgamated with the Company. For more details, see the section titled "History and Certain Corporate Matters–Scheme of Amalgamation" beginning on page 106 of this Draft Red Herring Prospectus.

In fiscal 2007, Ashoka Infrastructure Limited, Viva Highways Private Limited and Ashoka DSC Katni Road Bypass Private Limited became subsidiaries of the Company.

Factors Affecting our Results of Operations

Our business is substantially dependent on road and bridge projects in India undertaken or awarded by governmental authorities and other entities funded by governments. Any change in government policies resulting in a decrease in the amount of road and bridge projects undertaken or a decrease in private sector participation in road and bridge projects may adversely affect our business and results of operations.

The majority of our expenses relate to the construction of EPC projects for third parties and our BOT basis. The construction of projects we work on generally takes more than a year and can take as much as five

years. In addition, especially for BOT projects, there is often a delay of more than 180 days between the submission of our tender and the beginning of construction work. Due to the often long-period between the submission of our tender and completing the construction of a project, our actual expenses in constructing a project may vary substantially from the assumptions underlying our bid and we may be unable to recover all or some of the additional expenses, which may have a material adverse effect on our results of operations and financial condition.

The timely and cost effective construction of our projects is dependent on the adequate and timely supply of key materials such as steel, aggregate, bitumen and concrete and cement. The cost of materials, fuel, labour and other inputs constitutes a significant part of our operating expenses. The purchase of construction materials constituted 13.22% and 15.13% of our total expenditure for fiscal 2007 and the six months ended September 30, 2007, respectively. Fuel costs for operating our construction and other equipment constituted 2.61% and 3.98% of our total costs for fiscal 2007 and the six months ended September 30, 2007, respectively. Labour charges and sub-contracting charges constituted 31.70% and 33.81% of our total expenditure for fiscal 2007 and the six months ended September 30, 2007, respectively. Labour costs for skilled personnel, such as engineers, have increased approximately 50% in the past year and the cost of unskilled construction labour has increased in the same period by approximately 35%. Our ability to pass on unanticipated increases in the price of construction materials, fuel, labour and other inputs may be limited in the case of EPC fixed-price contracts, contracts with limited price escalation provisions and BOT projects.

Our business is substantially dependent on us accurately forecasting traffic volumes for toll-based BOT projects and contracts to collect tolls. Any material decrease between the actual traffic volume and our forecast traffic volume for a toll-based BOT project or a contract to collect tolls could have a material adverse effect on our cash flows, results of operations and financial condition.

Projects that we undertake on a BOT basis involve agreements that are long-term in nature, usually involving a Concession Period of between from five to 25 years. When preparing our tender for a toll-based BOT project (a road or a bridge) or a contract to collect tolls, we need to forecast the traffic volume for the road or bridge in order to work out our expected revenue over the Concession Period or the contract period, as applicable, in order to arrive at the price we are going to bid to pay or be paid for taking on such BOT project or contract.

Our ability to increase tolls on a BOT project is limited by the terms of the contract governing the BOT project and future increase in tolls may be inadequate to meet increases in maintenance and operating costs and debt payments over the project's life**.**

We have high working capital requirements and require significant debt to finance our BOT projects. If we experience insufficient cash flows to allow 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 great deal of working capital. In many cases, significant amounts of working capital are required to finance the purchase of materials, the hiring of equipment 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.

Out of the 18 BOT projects we have constructed, we have leveraged 14 of these by borrowing additional amounts in order to generate additional working capital. If we are unable to secure additional debt on reasonable interest rates and terms on completing the construction of a BOT project, it could have a material adverse effect on our business, cash flow, results of operations and financial condition.

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. A significant number of our employees are skilled engineers, and 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 could experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for our business needs. In the last year, wages for skilled personnel have increased by as much as double. We may need to further increase our pay structures to attract and retain such personnel. Our future performance will depend upon the continued services of these persons.

We operate in a competitive environment. The competition for EPC contracts and BOT projects varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. Some of the EPC businesses and BOT project businesses we compete against have greater financial resources, economies of scale and operating efficiencies.

We are increasingly bidding for and winning contracts for large-scale infrastructure projects. There are various risks associated with the execution of large-scale projects. Large contracts may take up an increasingly 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. In addition, we may need to execute large-scale projects through joint ventures with other companies, which exposes us to the risk of default by our joint venture partners.

Infrastructure projects involve agreements that are long-term in nature (as much as three years in EPC contracts and five to 25 years in BOT projects). All long-term projects have inherent risks associated with them and involve variables that may not necessarily be within our control. Accordingly, we are exposed to a variety of implementation and other risks, including construction delays, material shortages, unanticipated cost increases, cost overruns, inability to negotiate satisfactory arrangements with joint venture partners, and disagreements with our joint venture partners. In addition, the long-term nature of our contracts exposes us to increased risk of unforeseen business and industry changes which could have a material adverse effect on our business, financial condition and results of operations.

Timely and successful completion of our projects is dependent upon our performance and, in the case of some of our projects, the cooperation of our joint venture partners, other members of special purpose vehicles and sub-contractors. If our joint venture partners, members of special purpose vehicles and sub-contractors default on their obligations and they do not have adequate financial resources to meet their indemnity obligations to us, it could have a material adverse effect on results of operations and financial condition.

Presently, infrastructure development projects enjoy certain benefits under Section 80IA of the Income Tax Act, 1961. As a result of these incentives, most of our BOT projects are subject to relatively low tax liabilities. Our income tax exemptions for various projects expire at various points of time. There is no assurance that the BOT projects will continue to enjoy the tax benefits under Section 80IA in the future. For example, the Indian Finance Ministry issued a clarification in the last budget on certain benefits not being applicable to infrastructure companies which has a retrospective effect, which will adversely affect our tax incentives. When our tax incentives expire or terminate, our tax expense will materially increase, reducing our profitability. Further, the GOI could enact laws in the future that may adversely impact our tax incentives and consequently, our tax liabilities and profits.

Principles of Consolidation

The principles of consolidation are set forth in the section titled "Auditor's Report on Consolidated Financial Information" beginning on page 219 of this Draft Red Herring Prospectus.

The list of entities that are included in the consolidated financial statements and the Company's holdings therein are set forth below:

Name of Entity	% Ownership as at March 31,				% Ownership as at September 30, 2007
	2004	2005	2006	2007	
Ashoka Infrastructure Ltd.	30.35	30.35	30.35	100(1)	100
Ashoka Infraways Pvt. Ltd.	65.55	65.55	65.55	100(2)	100
Viva Highways Pvt. Ltd.	0.70	0.70	6.29	74(3)	74
Ashoka DSC Katni Bypass Road Pvt. Ltd.	49.00	49.00	49.00	99.89(4)	99.89
Ashoka High-Way Ad	97.50	97.50	99.99(5)	99.99	99.99
Ashoka Infrastuctures	98.00	98.00	99.99(6)	99.99	99.99
Ashoka Highways (Durg) Ltd	N.A.	N.A.	N A.	89	89
Ashoka Highways (Bhandara) Ltd	N.A.	N.A.	N A.	89	89

(1) The Company's percentage ownership increased to 67.82% with effect from April 14, 2006 and 100% from May 20, 2006.
(2) The Company's percentage ownership increased to 100% with effect from April 8, 2006.
(3) The Company's percentage ownership increased to 12.50% on 16 May 2006 and 74% with effect from May 20, 2006.
(4) The Company's percentage ownership increased to 99.89% with effect from July 15, 2006.
(5) The Company's percentage ownership increased to 99.99% with effect from April 1, 2005.
(6) The Company's percentage ownership increased to 99.99% with effect from April 1, 2005.

Significant Accounting Policies

Our significant accounting policies are described in the section entitled "Auditor's Report on Stand-Alone Financial Information" and Auditor's Report on Consolidated Financial Information" beginning on pages 182 and 219 of this Draft Red Herring Prospectus.

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		Fiscal 2004	
	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income
INCOME								
Turnover:								
- Construction Revenue	2,229.00	53.20%	1,165.26	62.71%	725.98	50.78%	1,156.65	71.34%
- Sales	480.18	11.46%	247.38	13.31%	296.25	20.72%	119.86	7.39%
- Toll Income – BOT	976.31	23.30%	358.30	19.28%	349.64	24.46%	271.44	16.74%
- Toll Income – Contract	345.40	8.24%	20.42	1.10%	0.00	0.00%	3.68	0.23%
Total Turnover	4,030.89	96.20%	1,791.36	96.40%	1,371.87	95.96%	1,551.63	95.70%
Other Income	158.80	3.80%	66.85	3.60%	57.83	4.04%	69.67	4.30%
TOTAL INCOME	**4,189.69**	**100%**	**1,858.21**	**100%**	**1,429.70**	**100%**	**1,621.30**	**100%**
EXPENDITURE								
Contract and Operation and Maintenance Expenses	2,038.62	48.66%	965.37	51.95%	628.24	43.94%	1,155.95	71.30%
Cost of Materials Sold	374.02	8.93%	221.90	11.94%	240.59	16.83%	45.00	2.78%
Toll Expenses	316.88	7.56%	17.92	0.96%	0.00	0.00%	4.98	0.31%
Staff Expenses	117.77	2.81%	65.86	3.54%	51.15	3.58%	42.88	2.64%
Administrative Expenses	126.22	3.01%	68.18	3.67%	49.58	3.47%	37.06	2.29%
Finance Costs	451.77	10.78%	212.24	11.42%	162.49	11.37%	157.17	9.69%
Depreciation	79.04	1.89%	61.44	3.31%	38.56	2.70%	32.11	1.98%
Amortisation	423.50	10.11%	181.49	9.77%	179.94	12.59%	122.52	7.56%
TOTAL EXPENDITURE	**3,927.82**	**93.75%**	**1,794.40**	**96.57%**	**1,350.55**	**94.46%**	**1,597.67**	**98.54%**
Profit before Tax, Prior Period Items and Adjustments,	**261.87**	**6.25%**	**63.81**	**3.43%**	**79.15**	**5.54%**	**23.63**	**1.46%**
Provision for taxation:								
- Current Year (net)	23.64	0.56%	15.90	0.86%	6.12	0.43%	10.06	0.62%
- Deferred Tax	(6.72)	-	14.98	0.81%	(7.95)	-	25.97	1.60%
- Fringe Benefit Tax	1.88	0.04%	2.11	0.11%	0.00	0.00%	0.00	0.00%

	Fiscal 2007		Fiscal 2006		Fiscal 2005		Fiscal 2004	
	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income
Net Profit Before Prior Period Items and Adjustments	**243.07**	**5.80%**	**30.82**	**1.66%**	**80.98**	**5.66%**	**(12.40)**	**-**
Adjustments	(1.54)	0%	0.67	0.04%	(1.42)	-	0.40	0.02%
Current tax impact of Adjustments	0.49	0.01%	(0.50)	-	0.26	0.02%	(0.28)	-
Net Profit After Adjustments	**244.12**	**5.83%**	**30.65**	**1.65%**	**82.13**	**5.74%**	**(12.53)**	**-**
Profit of Merged Entities	1.87	0.04%	(11.94)	-	(11.96)	-	0.00	-
Net Profit After Prior Period Items and Adjustments & Merger	**242.25**	**5.78%**	**42.59**	**2.29%**	**94.09**	**6.58%**	**(12.53)**	**-**

The table below sets forth, for the six months ended September 30, 2007, our restated profit and loss account, both in absolute terms and with each line item represented as a percentage of total income:

	Six-Months Ended September 30, 2007	
	Rs. Millions	% of Total Income
INCOME:		
Turnover:		
- Construction Revenue	756.79	44.13%
- Sales	321.58	18.75%
- Toll Income – BOT	546.47	31.86%
- Toll Income – Contract	0.00	0.00%
Total Turnover	**1,624.84**	**94.74%**
Other Income	90.21	5.26%
TOTAL INCOME	**1,715.05**	**100%**
EXPENDITURE:		
Contract and Operation and Maintenance Expenses	640.81	37.36%
Cost of Materials Sold	254.92	14.86%
Toll Expenses	0.00	0.00%
Staff Expenses	69.24	4.04%
Administrative Expenses	50.10	2.92%
Finance Costs	238.61	13.91%
Depreciation	39.36	2.30%
Amortisation	239.71	13.98%
TOTAL EXPENDITURE	**1,532.76**	**89.37%**
Profit Before Tax, Prior Period Items and Adjustments	**182.29**	**10.63%**
Provision for taxation:		
- Current Year (net)	23.75	1.38%
- Deferred Tax	(1.40)	0.00%
- Fringe Benefit Tax	2.00	0.12%
Net Profit Before Prior Period Items and	**157.94**	**9.21%**

	Six-Months Ended September 30, 2007	
	Rs. Millions	% of Total Income
Adjustments		
Adjustments	0.00	0.00%
Current Tax Impact of Adjustments	0.00	0.00%
Net Profit Before Minority Interests	**157.94**	**9.21%**
Profit/(loss) transferred to Minority Interests	16.67	0.97%
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	**141.27**	**8.24%**

Income

Our turnover (income from operations) consists of revenue from our:

- EPC division from third parties and the Company's associates (shown in our financial statements as construction revenue);
- BOT division (shown in our financial statements as toll income – BOT);
- RMC and bitumen division from third parties and the Company's associates and (b) sales of miscellaneous construction material to third parties and the Company's associates (shown in our financial statements as sales); and
- toll contract collection division (shown in our financial statements as toll income – contract).

Our EPC division earns revenue from the provision of engineering, procurement and construction services to third parties and the Company's associates and from EPC work performed for the Company's subsidiaries, partnerships and joint ventures. However, for the purposes of consolidation, as per AS 21 and 27, revenue from EPC work performed for the Company's subsidiaries, partnerships and joint ventures is reduced from the gross consolidated turnover and is shown in the consolidated statement of profit and loss net of these amounts.

Our BOT division earns revenue from the tolls we collect on our BOT projects and from the sale of advertising space at our BOT projects.

Our RMC and bitumen division earns revenue from sales of ready-mix concrete and bitumen to third parties and associates and from sales at cost to the Company's subsidiaries, partnerships and joint ventures. This division also earns revenue from sales of miscellaneous materials such as steel and scrap. However, for the purposes of consolidation, as per AS 21 and 27, revenue from sales to the Company's subsidiaries, partnerships and joint ventures is reduced from the gross consolidated turnover and is shown in the consolidated statement of profit and loss net of these amounts. Our sales revenue also includes sales of various construction materials such as scrap and steel, the sales of which have been insignificant.

Our toll collection contract division earns income from the tolls it collects on roads and bridges owned and constructed by third parties.

Our other income comprises (i) interest earned from bank deposits, advances paid (ii) profit from associates, (iii) profit from joint ventures and partnerships, (iv) hire charges from the renting out of machinery and vehicles, (v) claims on EPC contracts received, (vi) profit from derivatives, and (vii) miscellaneous income.

Expenditure

Our total expenditure comprises (i) contract and operation and maintenance expenses, (ii) cost of materials sold, (iii) toll expenses, (iv) staff expenses, (v) administrative expenses, (vi) finance costs, (vii) depreciation and (viii) amortisation.

Contract and Operation and Maintenance Expenses

Our contract and operation and maintenance expenses include: (i) labour charges and sub-contracting charges; (ii) purchase of construction materials, (iii) diesel fuel and lubricant expenses; (iv) transport and material handling charges; (v) machinery repairs and maintenance; and (vi) rates and taxes on account of works contracts and service tax on goods transported. Our contract and operation and maintenance expenses are shown after capitalization of expenses on our BOT projects.

Cost of Materials Sold

Our cost of materials sold is the cost of the materials for the manufacture of ready-mix concrete, the cost of bitumen and the transportation costs for these materials. Our raw materials for ready-mix cement include cement, sand, aggregates and construction chemicals.

Toll Expenses

Toll expenses comprise the licence fees for securing the right to collect tolls on roads/bridges owned and constructed by third parties and, in some cases, maintenance expenses for the roads/bridges.

Staff Expenses

Staff expenses consist of (i) salaries, wages and bonus, (ii) contribution to provident funds and gratuity and (iii) staff welfare expenses.

Administrative Expenses

The more material administrative expenses are: (i) rent, rates, taxes and insurance premiums; (ii) office and miscellaneous expenses; (iii) fuel and maintenance expenses for vehicles used by our employees; and (vi) legal and professional fees.

Finance Costs

Finance costs comprise (i) interest on loans, (ii) financial charges, such as loan processing and prepayment fees, and (iii) bank charges, such as bank guarantee commission charges, bank service charges and letter-of-credit charges.

Depreciation

Depreciation includes depreciation on buildings, plant and machinery, vehicles, furniture and fixtures, computers, office equipment and other fixed assets.

Amortisation

Amortisation comprises the amortisation of the capitalized costs of constructing our BOT projects. The cost of construction of a BOT project is amortised on a straight line method over the concession period. Amortisation commences on the date we start to collect tolls.

Results of Operations

Due to the nature of our EPC business and BOT business, the completion schedules of our projects, the way we recognize revenue, the nature of expenditure involved in a particular project, the specific terms of a particular project contract (including payment terms) and other factors that affect our income and expenditures on specific projects, our results of operations may vary significantly from period to period.

Six Months Ended September 30, 2007

Income

Our total income for the six months ended September 30, 2007 was Rs. 1,715.05 million

Income from Operations

Our turnover (operating income) for the six months ended September 30, 2007 was Rs. 1,624.84 million. Our construction revenue was Rs. 756.79 million. Our toll income – BOT was Rs. 546.47 million. Our income from sales was Rs. 321.58 million and our toll income – contract was Rs. 0.00 million. We did not earn any toll income – contract as the last contract we had to collect tolls on a road owned and constructed by a third party expired in March 2007.

Other Income

Other income for the six months ended September 30, 2007 was Rs. 90.21 million, which comprised Rs. 54.85 million in interest, Rs. 21.75 million in profit from associates of the Company, Rs. 10.01 million in miscellaneous income, Rs. 3.57 million in hire charges for construction machinery and Rs. 0.03 million in profit from joint ventures and partnerships.

Expenditure

Our total expenditure for the six months ended September 30, 2007 was Rs. 1,532.76 million. As a percentage of total income, total expenditure was 89.37%.

Contract and Operation and Maintenance Expenses

Our contract and operation and maintenance expenses were Rs. 640.81 million in the six months ended September 30, 2007, comprising total contract and operation and maintenance expenses of Rs. 909.38 million, less capitalised expenses of Rs. 271.14 million.

Cost of Materials Sold

Our cost of material sold were Rs. 254.92 million in the six months ended September 30, 2007.

Toll Expenses

Our toll expenses were Rs. 0.00 million in the six months ended September 30, 2007. Our last contract for toll contract collection expired in March 2007, so we did not have any toll expenses.

Staff Expenses

Staff expenses for the six months ended September 30, 2007 were Rs. 69.24 million. Staff expenses were contributed to by an 9.54% increase in the number of employees in the period from 1,897 as at March 31, 2007 to 2,078 as at September 30, 2007 and an overall increases in wages.

Administrative Expenses

Administrative expenses for the six months ended September 30, 2007 were Rs. 50.10 million.

Finance Costs

Our finance costs for the six months ended September 30, 2007 were Rs. 238.61 million. Our interest and finance charges were Rs. 233.46 million and our bank charges were Rs. 5.15 million.

Depreciation

Depreciation for the six months ended September 30, 2007 was Rs. 39.36 million.

Amortisation

Amortisation for the six months ended September 30, 2007 was Rs. 239.71 million.

Profit before Tax, Prior Period Items and Adjustments

Principally for the reasons discussed above, our profit before tax, prior period items and adjustments for the six months ended September 30, 2007 was Rs. 182.29 million, which was 10.63% as a percentage of total income.

Provision for Tax

Our total provision for tax for the six months ended September 30, 2007 was Rs. 24.35 million. Our effective tax rate for the six months ended September 30, 2007 was 13.36% compared with the statutory rate of 33.99%. Our effective rate of tax was lower than the statutory rate of tax due to the availing of the tax benefits provided under Section 80IA of the Income Tax Act, which provides for the exemption of profits on infrastructure projects from tax.

Year Ended March 31, 2007 Compared with Year Ended March 31, 2006

Income

Our total income increased to Rs. 4,189.69 million in fiscal 2007 from Rs. 1,858.21 million in fiscal 2006, an increase of Rs. 2,331.48 million or 125.47%.

Turnover (Income from Operations)

Our turnover increased to Rs. 4,030.89 million in fiscal 2007 from Rs. 1,791.36 million in fiscal 2006, an increase of Rs. 2,239.53 million or 125.02%.

Our construction revenue increased to Rs. 2,229.00 million in fiscal 2007 from Rs. 1,165.26 million in fiscal 2006, an increase of Rs. 1,063.74 million or 91.29%. The major reasons for the increase were that we began construction on the Phalodi-Pachpadra road for RIDCOR, the revenue from which for fiscal 2007 was Rs. 1,258.08 million, and we undertook further construction of the Chittorgarh bypass for NHAI, the revenue from which for fiscal 2007 was Rs. 343.32 million.

Our income from our BOT division increased to Rs. 976.31 million in fiscal 2007 from Rs. 358.30 million in fiscal 2006, an increase of Rs. 618.01 million or 172.48%. The major reason for the increase was due to the consolidation for the first time of two operating subsidiaries, namely Viva Highways Private Limited and Ashoka Infrastructure Limited. In addition, the increase was also due to the fact that we began collecting tolls on the Akola Bypass in July 2006.

Our sales income increased to Rs. 480.18 million in fiscal 2007 from Rs. 247.38 million in fiscal 2006, an increase of Rs. 232.80 million or 94.11%. This increase was primarily due to the opening of one additional ready-mix concrete plant and the conversion of one ready-mix concrete plant from captive use to commercial use.

Our toll income – contract increased significantly to Rs. 345.40 million in fiscal 2007 from Rs. 20.42 million in fiscal 2006, an increase of Rs. 324.98 million. We only had one toll collection contract in fiscal 2006 and fiscal 2007, which began in March 2006 and ended in March 2007. The reason for the increase in revenue was that we collected tolls for 11 months in fiscal 2007 compared with one month in fiscal 2006.

Other Income

Other income increased to Rs. 158.80 million in fiscal 2007 from Rs. 66.85 million in fiscal 2006, an increase of Rs. 91.95 million or 137.55%. The increase was primarily due to an increase in interest income from Rs. 28.80 million to Rs. 101.69 million. The increase in interest income was primarily due to the interest earned on the unutilised net proceeds from the Rs. 1,000 million raised through the issuance of Equity Shares in August 2006 and Rs. 35.73 million in interest earned by the new subsidiaries.

Expenditure

Our total expenditure increased to Rs. 3,927.82 million in fiscal 2007 from Rs. 1,794.40 million in fiscal 2006, an increase of Rs. 2,133.42 million or 118.89%. As a percentage of total income, total expenditure decreased from 96.57% in fiscal 2006 to 93.75% in fiscal 2007.

Contract and Operation and Maintenance Expenses

Our contract and operation and maintenance expenses increased to Rs. 2,038.62 million in fiscal 2007 from Rs. 965.37 million in fiscal 2006, an increase of Rs. 1,073.25 million or 111.17%. The major reasons for the increase were work done on the construction of the Phalodi-Pachpadra road for RIDCOR and further construction of the Chittorgarh bypass for NHAI.

Our contract and operation and maintenance expenses of Rs. 2,038.62 million in fiscal 2007 comprised our total contract and operation and maintenance expenses of Rs. 2,235.40 million less our capitalised expenses for our BOT projects of Rs. 196.78 million. Our contract and operation and maintenance expenses of Rs. 965.37 million in fiscal 2006 comprised our total contract and operation and maintenance expenses of Rs. 965.72 million less our capitalised expenses for our BOT projects of Rs. 0.35 million.

Cost of Materials Sold

Our cost of material sold increased to Rs. 374.02 million in fiscal 2007 from Rs. 221.90 million in fiscal 2006, an increase of Rs. 152.12 million or 68.55%. The primary reason for the increase was an increase in the volume of sales of ready-mix concrete and increases in raw material prices.

Toll Expenses

Our toll expenses increased significantly to Rs. 316.88 million in fiscal 2007 from Rs. 17.92 million in fiscal 2006, an increase of Rs. 298.96 million. We only had one toll collection contract in fiscal 2006 and fiscal 2007, which began in March 2006 and ended in March 2007. The reason for the increase in expenses was that we collected tolls for more than 11 months in fiscal 2007 compared with less than one month in fiscal 2006.

Staff Expenses

Staff expenses increased by 78.82% from Rs. 65.86 million in fiscal 2006 to Rs. 117.77 million in fiscal 2007. The increase in employees cost was primarily attributable to increases in wages, which averaged approximately 12%, and a 44% increase in the number of our employees from 1,315 as at March 31, 2006 to 1,897 as at March 31, 2007. In addition, staff expenses increased by Rs. 12.79 million due to the consolidation of two subsidiaries consolidated for the first time in fiscal 1997, namely Viva Highways Private Limited and Ashoka Infrastructure Limited.

Administrative Expenses

Administrative expenses increased by 85.13% from Rs. 68.18 million in fiscal 2006 to Rs. 126.22 million in fiscal 2007. The increase in administrative expenses was primarily attributable to a Rs. 31.99 million increase in legal and professional fees, which was primarily due to the advisory fees paid for the process carried out for the private placement of Rs. 1,000 million of our Equity Shares in August 2006. In addition, administrative fees increased due to the consolidation of two subsidiaries for the first time, namely Viva Highways Private Limited and Ashoka Infrastructure Limited.

Finance Costs

Our finance costs increased by 112.85% from Rs. 212.24 million in fiscal 2006 to Rs. 451.77 million in fiscal 2007. This increase was primarily due to a total of Rs. 242.01 million in interest paid by the two subsidiaries consolidated for the first time.

Depreciation

Depreciation increased by 28.65% from Rs. 61.44 million in fiscal 2006 to Rs. 79.04 million in fiscal 2007. This increase was primarily due to an increase in capital expenditure on plant and machinery.

Amortisation

Amortisation increased by 133.35% from Rs. 181.49 million in fiscal 2006 to Rs. 423.50 million in fiscal 2007. This increase was primarily due to the amortisation of the BOT projects operated by our two subsidiaries consolidated for the first time. In addition, we began amortising the project cost for the Akola Bypass in July 2006.

Profit before Tax, Adjustments and Prior Period Items

Principally for the reasons discussed above, our profit before tax, prior period items and adjustments increased to Rs. 261.87 million in fiscal 2007 from Rs. 63.81 million in fiscal 2006, an increase of Rs. 198.06 million, or 310.39%. Our profit before tax, prior period items and adjustments as a percentage of total income was 6.25% in fiscal 2007 compared with 3.43% in fiscal 2006.

Provision for Tax

Our provision for tax decreased to Rs. 18.80 million in fiscal 2007 from Rs. 32.99 million for fiscal 2006. Our effective tax rate in fiscal 2007 was 7.18% compared with the statutory rate of 33.66%. Our effective rate of tax was lower than the statutory rate of tax due to the availing of the tax benefits provided under Section 80IA of the Income Tax Act, which provides for the exemption of profits on infrastructure projects from tax. Our effective tax rate in fiscal 2006 was 51.70% compared with the statutory rate of 33.66%. Our effective tax rate was higher than the statutory tax rate because of the deferred tax provision of Rs. 14.98 million, which was due to the differences between depreciation rates on certain items as per the Income Tax Act and the Companies Act.

Year Ended March 31, 2006 compared with Year Ended March 31, 2005

Income

Our total income increased to Rs. 1,858.21 million in fiscal 2006 from Rs. 1,429.70 million in fiscal 2005, an increase of Rs. 428.51 million, or 29.97%.

Turnover (Income from Operations)

Our turnover increased to Rs. 1,791.36 million in fiscal 2006 from Rs. 1,371.87 million in fiscal 2005, an increase of Rs. 419.49 million or 30.58%.

Our construction revenue increased to Rs. 1,165.26 million in fiscal 2006 from Rs. 725.98 million in fiscal 2005, an increase of Rs. 439.28 million or 60.51%. The reasons for the increase were work done on new EPC contracts and additional work done on existing EPC contracts.

Our toll income – BOT increased to Rs. 358.30 million in fiscal 2006 from Rs. 349.64 million in fiscal 2005, an increase of Rs. 8.66 million or 2.48%. We did not collect tolls on any new BOT projects in fiscal 2006 and we transferred the Ankali Bridge to the Maharashtra Government in October 2005. Despite the loss of the toll revenue from the Ankali Bridge for the last five months of fiscal 2006, our toll income – BOT still increased due to a rise in the overall traffic on our BOT projects and an increase in the toll rates for some of our BOT projects.

Our sales income decreased to Rs. 247.38 million in fiscal 2006 from Rs. 296.25 million in fiscal 2005, a decrease of Rs. 48.87 million or 16.50%. The major reason for the decrease was the reduction in sales of bitumen, which decreased to Rs. 58.30 million in fiscal 2006 from Rs. 124.04 million in fiscal 2005. The decrease was due to the fact that we sold most of the bitumen in fiscal 2005 to Ashoka Infrastructure Limited, which at that time was an associate of the Company. Ashoka Infrastructure Limited completed the construction of the Pune-Shirur road in April 2005.

Our toll income – contract increased to Rs. 20.42 million in fiscal 2006 from Rs. 0.00 million in fiscal 2005. The reason for the increase was that we began collecting tolls on a road in March 2006 and did not have any contract to collect tolls in fiscal 2005.

Other Income

Other income increased to Rs. 66.85 million in fiscal 2006 from Rs. 57.83 million in fiscal 2005, an increase of Rs. 9.02 million, or 15.60%. The major reasons for the increase were an increase in interest from Rs. 13.44 million in fiscal 2005 to Rs. 28.80 million in fiscal 2006 and an increase in miscellaneous income from Rs. 7.03 million in fiscal 2005 to Rs. 20.52 million in fiscal 2006. These increases were partially offset by the fact that we had a loss from joint ventures and associates of Rs. 4.40 million in fiscal 2006 compared with a profit of Rs. 13.04 million in fiscal 2005.

Expenditure

Our total expenditure increased to Rs. 1,794.40 million in fiscal 2006 from Rs. 1,350.55 million in fiscal 2005, an increase of Rs. 443.85 million or 32.86%. As a percentage of total income, total expenditure increased from 94.46% in fiscal 2005 to 96.57% in fiscal 2006.

Contract and Operation and Maintenance Expenses

Our contract and operation and maintenance expenses increased to Rs. 965.37 million in fiscal 2006 from Rs. 628.24 million in fiscal 2005, an increase of Rs. 337.13 million or 53.66%. The major reason for the increase was work carried out of new EPC contracts and new work done on existing EPC contracts.

Our contract and operation and maintenance expenses of Rs. 965.37 million in fiscal 2006 comprised our total contract and operation and maintenance expenses of Rs. 965.72 million less our capitalised expenses for our BOT projects of Rs. 0.35 million. Our contract and operation and maintenance expenses of Rs. 628.24 million in fiscal 2005 was our total contract and operation and maintenance expenses as our capitalised contract and and operation and maintenance expenses for our BOT projects were Rs. 0.00 million for fiscal 2005.

Cost of Materials Sold

Our cost of material sold decreased to Rs. 221.90 million in fiscal 2006 from Rs. 240.59 million in fiscal 2005, a decrease of Rs. 18.69 million or 7.77%. The major reason for the decrease was the decrease in the volume of sales of bitumen.

Toll Expenses

Our toll expenses increased to Rs. 17.92 million in fiscal 2006 from Rs. 0.00 million in fiscal 2005. We only had one toll collection contract in fiscal 2006, which began in March 2006, and we did not have any toll collection contracts in fiscal 2005.

Staff Expenses

Staff expenses increased by 28.76% from Rs. 51.15 million in fiscal 2005 to Rs. 65.86 million in fiscal 2006. The increase in staff expenses was due to increases in wages and a 9% increase in the number of our employees from 1,206 as at March 31, 2005 to 1,315 as at March 31, 2006.

Administrative Expenses

Administrative expenses increased by 37.52% from Rs. 49.58 million in fiscal 2005 to Rs. 68.18 million in fiscal 2006. The increase in administrative expenses was primarily attributable to an increase in legal and professional fees to Rs. 10.11 million in fiscal 2006 from Rs. 3.48 million in fiscal 2005 and an increase in rent, rates, taxes and insurance to Rs. 21.69 million in fiscal 2006 from Rs. 14.97 million in fiscal 2005.

Finance costs

Our finance costs increased by 30.62% from Rs. 162.49 million in fiscal 2005 to Rs. 212.24 million in fiscal 2006. This increase was primarily to an increase in financial charges from Rs. 1.74 million in fiscal 2005 to Rs. 16.37 million in fiscal 2006, which was primarily due to prepayment fees for the early repayment of a loan.

Depreciation

Depreciation increased by 59.34% from Rs. 38.56 million in fiscal 2005 to Rs. 61.44 million in fiscal 2006. This increase was primarily due to an increase in capital expenditure on plant and machinery, equipment and vehicles.

Amortisation

Amortisation increased by 0.86% from Rs. 179.94 million in fiscal 2005 to Rs. 181.49 million in fiscal 2006.

Profit before Tax, Prior Period Items and Adjustments

Principally for the reasons discussed above, our profit before tax, prior period items and adjustments decreased to Rs. 63.81 million in fiscal 2006 from Rs. 79.15 million in fiscal 2005, a decrease of Rs. 15.34 million or 19.38%. Our profit before tax, prior period items and adjustments as a percentage of total income was 3.43% in fiscal 2006 compared with 5.54% in fiscal 2005.

Provision for Tax

Our provision for tax was Rs. 32.99 million in fiscal 2006 compared with a net deferred tax asset of Rs. 1.83 million for fiscal 2005. Our effective tax rate in fiscal 2006 was 51.70% compared with the statutory rate of 33.66%. Our effective tax rate was higher than the statutory tax rate because of the deferred tax provision of Rs. 14.98 million, which was due to the differences between depreciation rates on certain items as per the Income Tax Act and the Companies Act. We had a net deferred tax asset of Rs. 1.83 million for fiscal 2005 primarily due to a Rs. 7.95 million deferred tax asset, which was due to the differences between depreciation rates on certain items as per the Income Tax Act and the Companies Act.

Year Ended March 31, 2005 compared with Year Ended March 31, 2004

Income

Our total income decreased to Rs. 1,429.70 million in fiscal 2005 from Rs. 1,621.30 million in fiscal 2004, a decrease of Rs. 191.60 million, or 11.82%. This was primarily due to a 37.23% decrease in construction revenue.

Turnover (Income from Operations)

Our turnover decreased to Rs. 1,371.87 million in fiscal 2005 from Rs. 1,551.63 million in fiscal 2004, a decrease of Rs. 179.76 million or 11.59%.

Our construction revenue decreased to Rs. 725.98 million in fiscal 2005 from Rs. 1,156.65 million in fiscal 2004, a decrease of Rs. 430.67 million or 37.23%. The major reason for the decrease was that construction of the Indore-Edelabad road for Viva Highways Private Limited, which at that time was not a subsidiary, was completed in fiscal 2004. Our construction revenue from that EPC contract was Rs. 600.85 in fiscal 2004.

Our toll income – BOT increased to Rs. 349.64 million in fiscal 2005 from Rs. 271.44 million in fiscal 2004, an increase of Rs. 78.20 million or 28.81%. The major reason for the increase was that we began collecting tolls on the Dewas Bypass in May 2004.

Our sales income increased to Rs. 296.25 million in fiscal 2005 from Rs. 119.86 million in fiscal 2004, an increase of Rs. 176.39 million or 147.16%. Income from sales of ready-mix concrete increased from Rs. 71.67 million in fiscal 2004 to Rs. 170.23 million. This increase was primarily due to the setting up of two additional ready-mix concrete plants for commercial sales. Income from sale of bitumen increased from Rs. 43.04 million in fiscal 2004 to 124.04 million. This increase was primarily due to sales of bitumen to Ashoka Infrastructure Limited, which at that time was an associate of the Company, for use in constructing the Pune-Shirur road.

Our toll income – contract decreased to Rs. 0.00 million in fiscal 2005 from Rs. 3.68 million in fiscal 2004. Our toll income – contract was Rs. 0.00 million in fiscal 2005 as the one contract we had for the collection of tolls expired in fiscal 2004.

Other Income

Other income decreased to Rs. 57.83 million in fiscal 2005 from Rs. 69.67 million in fiscal 2004, a decrease of Rs. 11.84 million or 16.99%. The major reason for the decrease was that we did not receive

any claims in fiscal 2005 whereas in fiscal 2004 we received Rs. 28.32 million in claims. The decrease was partially offset by an increase in higher charges for machinery from Rs. 10.23 million in fiscal 2004 to Rs. 24.37 million in fiscal 2005.

Expenditure

Our total expenditure decreased to Rs. 1,350.55 million in fiscal 2005 from Rs. 1,597.67 million in fiscal 2004, a decrease of Rs. 247.12 million, or 15.47%. As a percentage of total income, total expenditure decreased from 98.54% in fiscal 2004 to 94.46% in fiscal 2005.

Contract and Operation and Maintenance Expenses

Our contract and operation and maintenance expenses decreased to Rs. 628.24 million in fiscal 2005 from Rs. 1,155.95 million in fiscal 2004, a decrease of Rs. 527.71 million or 45.65%. The major reason for the decrease was that we undertook less EPC contract work in fiscal 2005 compared with fiscal 2004, primarily because the construction of the Indore-Edelabad Road was completed in fiscal 2004.

Our contract and operation and maintenance expenses of Rs. 628.24 million in fiscal 2005 comprised our total contract and operation and maintenance expenses of Rs. 628.24 million less our capitalised expenses for our BOT projects of Rs. Nil million. Our contract and operation and maintenance expenses of Rs. 1,155.95 million in fiscal 2004 comprised our total contract and operation and maintenance expenses of Rs. 1,400.38 million less our capitalised expenses for our BOT projects of Rs. 244.43 million.

Cost of Materials Sold

Our cost of material sold increased to Rs. 240.59 million in fiscal 2005 from Rs. 45.00 million in fiscal 2004, an increase of Rs. 195.59 million or 434.64%. The major reasons for the increase were an increase in the volume of sales of ready-mix concrete and bitumen and an increase in raw material prices.

Toll Expenses

Our toll expenses decreased to Rs. 0.00 million in fiscal 2005 from Rs. 4.98 million in fiscal 2004. Our toll expenses were nil in fiscal 2005 as the contract we had to collect tolls expired in fiscal 2004.

Staff Expenses

Staff expenses increased by 19.29% to Rs. 51.15 million in fiscal 2005 from Rs. 42.88 million in fiscal 2004. The increase in staff expenses was due to increases in wages and a 10% increase in the number of our employees from 1,095 as at March 31, 2004 to 1,206 as at March 31, 2005.

Administrative Expenses

Administrative expenses increased by 33.78% from Rs. 37.06 million in fiscal 2004 to Rs. 49.58 million in fiscal 2005.

Finance costs

Our finance costs increased by 3.38% from Rs. 157.17 million in fiscal 2004 to Rs. 162.49 million in fiscal 2005. This increase was primarily to due an increase interest paid from Rs. 109.17 million in fiscal 2004 to Rs. 152.27 million. This increase was primarily due to Rs. 38.53 million in interest paid in fiscal 2005 by Ashoka Infraways Private Limited on its loan taken in connection the Dewas Bypass. Interest on that loan was previously capitalized as we did not collect tolls on the Dewas Bypass until May 2004. The increase in interest was partially offset by a decrease in financial charges from Rs. 30.20 million in fiscal 2004 to Rs. 1.74 million in fiscal 2005. This decrease was primarily due to the fact that we replaced a loan in fiscal 2004 and were charged a prepayment fee.

Depreciation

Depreciation increased by 20.09% from Rs. 32.11 million in fiscal 2004 to Rs. 38.56 million in fiscal 2005. This increase was primarily due to an increase in capital expenditure on plant and machinery.

Amortisation

Amortisation increased by 46.87% from Rs. 122.52 million in fiscal 2004 to Rs. 179.94 million in fiscal 2005. This increase was primarily due to the amortisation of Rs. 43.65 million of the capitalised expenses for the Dewas Bypass, which we began collecting tolls on in May 2007.

Profit before Tax, Prior Period Items and Adjustments

Principally for the reasons discussed above, our profit before tax, prior period items and adjustments increased to Rs. 79.15 million in fiscal 2005 from Rs. 23.63 million in fiscal 2004, an increase of Rs. 55.52 million or 234.96%. Our profit before tax, prior period items and adjustments and as a percentage of total income was 5.54% in fiscal 2005 compared with 1.46% in fiscal 2004.

Provision for Tax

We had a deferred tax asset of Rs. 1.83 million in fiscal 2005 compared with a provision for tax of Rs. 36.03 million for fiscal 2004. We had a net deferred tax asset of Rs. 1.83 million for fiscal 2005 primarily due to a Rs. 7.95 million deferred tax asset, which was due to the differences between depreciation rates on certain items as per the Income Tax Act and the Companies Act. Our provision for tax of Rs. 36.03 million in fiscal 2004 was more than our profit before tax, prior period items and adjustments in fiscal 2004 because as a result of the amalgamation of the Transferor Companies with the Company, the deferred tax liabilities increased by Rs. 25.97 million.

Liquidity and Capital Resources

Historically, our principal liquidity and capital resources requirements have been to finance our working capital needs, our capital expenditures and our investment in subsidiaries, associates and joint ventures that undertake BOT projects.

Most of our recent EPC contracts provide for an advance payment of 10% of the contract amount and provide that we are to be paid a certain amount of the contract on completion of stages of the project, which reduces our working capital needs. However, our business still requires a significant amount of working capital to finance the purchase of raw materials and goods and the performance of construction business projects before payment is received from our clients.

To fund the capital needs for our BOT projects, we have generally relied on our cash flow from operations, term loans on receivables of operational BOT projects, and short term and working capital loans until BOT project based loans are made.

To fund our capital needs for fixed assets other than BOT project assets, we have generally relied on cash flows from operating activities, hire purchase/hypothecation loans and long term loans.

Out of the net proceeds of the Issue, we intend to use Rs. 1,250 million to invest in equity shares of Ashoka Highways (Bhandara) Limited to help finance the construction of NH-6 Bhandara Road Project, Rs. 750 million for working capital purposes, Rs. 715 million to invest as equity into certain subsidiaries to allow them to repay loans. Out of the remainder of the net proceeds of the Issue, we intend to use Rs. [•] million for general corporate purposes. In the future, as we expand our business, our capital needs will increase and we may need to raise additional capital through further debt finance and additional issues of Equity Shares.

Cash Flows

The table below sets forth our cash flows for the periods indicated.

(Rs. in millions)

	Six Months Ended September 30, 2007	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
Net cash from / (used in) operating activities	600.53	1,442.48	(231.81)	231.42	219.40
Net cash from / (used in) investing activities	(554.04)	(2,987.57)	(278.94)	(220.97)	(2,370.09)
Net cash from / (used in) financing activities	(586.04)	2,468.61	709.11	29.87	2,177.91
Net increase / (decrease) in cash and cash equivalents	**(539.55)**	**923.52**	**198.36**	**40.32**	**27.22**

Cash Flows from / (Used in) Operating Activities

Our net cash from operating activities in the six months ended September 30, 2007 was Rs. 600.53 million, although our operating profit before working capital changes for that period was Rs. 677.45 million. The difference was primarily attributable to an increase in inventories of Rs. 114.07 million, which was partially offset by an increase in trade and other payables of Rs. 96.58 million.

Our net cash from operating activities in fiscal 2007 was Rs. 1,442.48 million, although our operating profit before working capital changes for that fiscal year was Rs. 1,193.93 million. The difference was mainly attributable to a decrease in trade and other receivables of Rs. 275.03 million and an increase in trade and other payables of Rs. 293.83 million, which were partially offset by an increase in inventories of Rs. 291.37 million.

Our net cash used in operating activities in fiscal 2006 was Rs. 231.81 million, although our operating profit before working capital changes for that fiscal year was Rs. 523.87 million. The difference was mainly attributable to a Rs. 106.17 million increase in inventories, a Rs. 500.25 million increase in trade and other receivables and a Rs. 143.88 million decrease in trade and other payables.

Our net cash received from operating activities in fiscal 2005 was Rs. 231.42 million, although our operating profit before working capital changes for that fiscal year was Rs. 447.61 million. The difference was mainly attributable to a Rs. 132.71 million increase in inventories and a Rs. 165.58 million decrease in trade and other payables, which was partially offset by a Rs. 76.90 million decrease in trade and other receivables.

Our net cash received from operating activities in fiscal 2004 was Rs. 219.14 million, although our operating profit before working capital changes for that fiscal year was Rs. 340.31 million. The difference was mainly attributable to Rs. 214.93 million increase in trade and other payables, which was partially offset by a Rs. 53.70 million decrease in inventories and a Rs. 49.98 million increase in trade and other receivables.

Cash Flows from / (Used in) Investing Activities

Our net cash used in investing activities in the six months ended September 30, 2007 was Rs. 554.04 million. Our net cash used in investing activities during this period reflects Rs. 542.73 million used for the

purchase of fixed assets, Rs. 33.09 million used for the purchase of investments and Rs. 21.78 million received from our share of profits in associates and unconsolidated joint ventures.

Our net cash used in investing activities in fiscal 2007 was Rs. 2,987.57 million. Our net cash used in investing activities during this period reflects Rs. 3,281.94 million used for the purchase of fixed assets, Rs. 271.93 million received from the repayment of and reduction of investments and Rs. 22.45 million received from our share of profits in associates and unconsolidated joint ventures.

Our net cash used in investing activities in fiscal 2006 was Rs. 278.94 million. Our net cash used in investing activities during this period reflects Rs. 227.97 million used for the purchase of fixed assets, Rs. 46.76 million used for the purchase of investments and Rs. 4.40 million was paid as our share losses in associates and unconsolidated joint ventures.

Our net cash used in investing activities in fiscal 2005 was Rs. 220.97 million. Our net cash used in investing activities during this period reflects Rs. 245.77 million used for the purchase of fixed assets, Rs. 11.76 million received from the repayment of and reduction of investments and Rs. 13.04 million received from our share of profits in associates and unconsolidated joint ventures.

Our net cash used in investing activities in fiscal 2004 was Rs. 2,370.09 million. Our net cash used in investing activities during this period reflects Rs. 1,692.03 million used for the purchase of fixed assets, Rs. 685.55 million used for the purchase of investments and Rs. 8.49 million received from our share of profits in associates and unconsolidated joint ventures.

Cash Flows from / (Used in) Financing Activities

Our net cash used in financing activities in the six months ended September 30, 2007 was Rs. 586.04 million. This cash flow reflects the payment of Rs. 33.14 million on the redemption of preference shares in the Company, the repayment of Rs. 314.29 million of debt and the payment of Rs. 238.61 million of interest.

Our net cash from financing activities in fiscal 2007 was Rs. 2,468,61 million. This cash flow reflects the Rs. 1.002.61 million proceeds from the issuance of Equity Shares and Rs. 1,917.76 million in proceeds from new borrowings, which were partially offset by Rs. 451.77 million in interest paid.

Our net cash from financing activities in fiscal 2006 was Rs. 709.11 million. This cash flow reflects Rs. 921.36 million in proceeds from new borrowings and Rs. 212.25 million in interest paid.

Our net cash from financing activities in fiscal 2005 was Rs. 29.87 million. This cash flow reflects Rs. 192.36 million in proceeds from new borrowings and Rs. 162.49 million in interest paid.

Our net cash from financing activities in fiscal 2004 was Rs. 2,177.91 million. This cash flow reflects the Rs. 1,189.08 million proceeds from the issuance of Equity Shares in connection with the amalgamation of the Transferor Companies with the Company and Rs. 1,146.01 million in proceeds from new borrowings, which were partially offset by Rs. 157.17 million in interest paid.

Capital Expenditures

We need to make capital expenditures on a regular basis in order to acquire needed fixed assets and undertake our BOT projects.

In the six months ended September 30, 2007, Rs. 13.46 million of project costs for BOT projects were capitalized, our capital work in progress increased by Rs. 429.75 million and we purchased Rs. 99.46 million of other fixed assets consisting of various plant and machinery, vehicles, computers and other assets.

In fiscal 2007, Rs. 2,370.76 million of project costs for BOT projects were capitalized, our capital work in progress increased by Rs. 568.96 million and we purchased Rs. 342.98 million of other fixed assets consisting of various plant and machinery, vehicles, computers and other assets. In fiscal 2007, we capitalized the project costs for the BOT project developed by Viva Highways Private Limited and the BOT project developed by Ashoka Infrastructure Limited, which were consolidated for the first time. In fiscal 2007, our capital work in progress included the project expenditure on a BOT project of Ashoka DSC Katni Bypass Private Limited, which was consolidated for the first time. In fiscal 2007, our capital expenditure on various plant and machinery for our EPC division was Rs. 302.28 million, which investment was undertaken to expand our capability to execute larger projects.

In fiscal 2006, Rs. 79.12 million of project costs for BOT projects were capitalized, our capital work in progress increased by Rs. 38.21 million and we purchased Rs. 107.49 million of other fixed assets consisting of various plant and machinery, vehicles, computers and other assets.

In fiscal 2005, Rs. 563.37 million of project costs for BOT projects were capitalized and we purchased Rs. 203.18 million of other fixed assets consisting of various plant and machinery, vehicles, computers and other assets. Our capital work in progress reduced by Rs. 520.08 million. In fiscal 2005, Rs. 559.53 million of capital work in progress was capitalized following the completion of the Dewas Bypass, which reduced capital work in progress by the same amount.

In fiscal 2004, Rs. 1,238.81 million of project costs for BOT projects were capitalized, our capital work in progress increased by Rs. 373.12 million and we purchased Rs. 80.81 million of other fixed assets consisting of various plant and machinery, vehicles, computers and other assets. Almost all of the amount of BOT project costs capitalised in fiscal 2004 was due to the amalgamation of the Transferor Companies with the Company.

We intend to use some of the net proceeds of the Issue to fund capital expenditures. For further details, see the section titled "Objects of the Issue" beginning on page 38 of this Draft Red Herring Prospectus.

We expect in future years to continue to make capital expenditures to acquire needed fixed assets and undertake our BOT projects. We propose to finance these expenditures principally our cash flow from operations, term loans on receivables of operational BOT projects, and short term and working capital loans until BOT project based loans are made.

Balance Sheet Items

Assets

Our total assets as at September 30, 2007 were Rs. 4,940.24 million. Our total assets comprise (i) tangible assets, (ii) intangible assets and (iii) capital work in progress.

Tangible Assets

Our total tangible fixed assets after depreciation were Rs. 743.54 million as at September 30, 2007. Our tangible fixed assets consist of plant and machinery, computers and software, buildings, office equipment, furniture and fixtures and motor vehicles.

Intangible Fixed Assets

Our total intangible fixed assets after amortization were Rs. 3,149.82 million as at September 30, 2007. Our intangible fixed assets are the capitalised project costs for our BOT projects.

Capital Work in Progress

Our capital work in progress as at September 30, 2007 was Rs. 1,046.88 million. Our capital work in progress comprises (i) advances for procurement of capital assets, (ii) costs of assets not installed or put to use and (iii) the Project Cost of BOT projects until the start of toll collection.

Investments

Our total investments were Rs. 705.65 million as at September 30, 2007, which was comprised of Rs. 697.11 million in unquoted investments at cost and Rs. 8.54 million in quoted investments at cost. Of the Rs. 697.11 million in unquoted investments at cost, Rs. 696.17 million comprised investments in the Company's associates and unconsolidated joint ventures.

Current Assets, Loans and Advances

Our current assets, loans and advances as at September 30, 2007 were Rs. 2,286,89 million. Our current assets loans and advances comprise (i) inventories, (ii) receivables from sundry debtors, (iii) cash and bank balances, and (iv) loans and advances.

Inventories

Our inventories as at September 30, 2007 were Rs. 702.66 million, which consisted principally of work in progress and materials and components used by our EPC division for our construction projects as well as materials for our RMC and bitumen division.

Sundry Debtors

Our receivables from sundry debtors as at September 30, 2007 were Rs. 232.23 million, which consisted of Rs. 133.55 million in receivables owed for less than six months, Rs. 101.83 million receivables owed for more than six months, less a Rs. 3.15 million provision for doubtful debts.

Cash and Bank Balances

Our cash and bank balances as at September 30, 2007 were Rs. 850.32 million.

Loans and Advances

Our loans and advances were Rs. 510.68 million as at September 30, 2005. Loans and advances comprised Rs. 275.47 million of advances recoverable in cash or in kind or for value to be received, Rs. 106.85 million in income tax paid in advance and tax deducted at source, Rs. 101.80 million of deposits, Rs. 15.78 million of advances and loans to Promoter Group companies and Rs. 1.78 million of advances and loans to Promoter Group partnerships.

Liabilities and Provisions

Our total liabilities and provisions as at September 30, 2007 were Rs. 4,941.96 million. Our liabilities and provisions comprise (i) secured loans, (ii) unsecured loans, (iii) minority interests in the Company's subsidiaries and consolidated joint ventures, (iv) deferred tax liability and (v) current liabilities and provisions.

Secured Loans

Our secured loans as at September 30, 2007 were Rs. 3,863.68 million. Secured loans comprised Rs. 3,403.20 million in term loans, Rs. 63.37 million in working capital loans and Rs. 397.11 million in hire purchase/hypothecation loans.

Unsecured Loans

Our unsecured loans as at September 30, 2007 were Rs. 197.62 million. Our unsecured loans comprise a Rs. 195.09 million loan from Jayaswals Ashoka Infrastructure Private Limited, the Company's 50% owned associate, and a Rs. 2.53 million loan from Viva Infrastructure Private Limited, an associate in which the Company has a 49% interest.

Current Liabilities and Provisions

Our current liabilities and provisions as at September 30, 2007 were Rs. 719.10 million. Our current liabilities were Rs. 646.70 million, our provision for staff benefits was Rs. 7.66 million and our provision for taxation was Rs. 64.74 million. Our current liabilities included sundry creditors, advances from customers and other liabilities. Liabilities to sundry creditors as at September 30, 2007 were Rs. 215.90 million, which consisted principally of amounts owed to suppliers of materials, components and services for the execution of our construction business projects and suppliers of materials for our RMC and bitumen division. Security deposits from labour contractors and sub-contractors were Rs. 54.08 million. We typically require labour contractors and sub-contractors to pay us a security deposit on entering into a contract with us. Advances from customers as at September 30, 2007 were Rs. 95.32 million. Our EPC contracts typically require customers to pay us a certain amount in advance of commencement of work against a bank guarantee, which is credited against progress payments. Other liabilities as at September 30, 2007 were Rs. 281.39 million. Other liabilities include outstanding expenses, sales tax, service tax and TDS payable, provision for sub contractors and other dues payable.

Profit and Loss Account

Our profit and loss account as at September 30, 2007 was Rs. 765.43 million. This amount represents (i) our cumulative profits and losses carried forward to the balance sheet, (ii) the cumulative profits and losses of the Transferor Companies carried forward to our balance sheet as at April 3, 2003 and (iii) the cumulative profits and losses of Ashoka Infrastructure Limited, Viva Highways Private Limited and Ashoka DSC Katni Road Bypass Private Limited consolidated for the first time in fiscal 2007 and carried forward to our balance sheet in fiscal 2007. In fiscal 2007, Ashoka Infrastructure Limited, Viva Highways Private Limited and Ashoka DSC Katni Road Bypass Private Limited became subsidiaries of the Company. As a result of consolidation of these subsidiaries, their financial statements were restated to bring them in line with the Company's accounting policies. After restating their financial statements as per the Company's accounting policies, the profits and losses shown in the balance sheet of these companies on the date they became a subsidiary of the Company were transferred to the Company's balance sheet.

Total Indebtedness

The following table sets forth our repayment obligations under the terms of our indebtedness as at September 30, 2007, except for working capital loans:

(Rs. in millions)

	Payments due during the year ending March 31,			
Indebtedness	**2008**	**2009**	**2010**	**After 2010**
Secured loans for BOT projects	206.00	468.27	357.18	2,681.74
Secured loans for other fixed assets	75.35	144.34	115.30	62.12
Unsecured loans	197.62	Nil	Nil	Nil

We have a working capital loan with a maximum drawing limit of Rs. 1,000 million. However, the amount we are able to be borrow under the facility is dependent on our level of inventories and debtors, net of current liabilities. As at September 30, 2007, the amount borrowed under the facility was Rs. 6.28 million. For further details, see the section titled "Indebtedness–Details of Secured Borrowings–Working Capital Loan" on page 178 of this Draft Red Herring Prospectus.

All of our financing agreements contain conditions and restrictive covenants. For details, see the section titled "Indebtedness" beginning on page 178 of this Draft Red Herring Prospectus.

Capital Expenditure Commitments

As at September 30, 2007, our capital expenditure commitments were Rs. 520.95 million. The following table sets forth our capital expenditure commitments as at September 30, 2007:

(Rs. in millions)

	Capital Expenditure Commitments During the Year Ending March 31,			
	2008	**2009**	**2010**	**After 2010**
BOT projects	1,196.91	6,703.05	6,096.05	500.00
Other fixed assets	40.76	213.00	87.15	-

Contingent Liabilities

As at September 30, 2007, an aggregate amount of Rs. 1,893.30 million of contingent liabilities was outstanding, comprising:

- Rs. 1,037.85 million of bank and letters of credit issued by banks in favour of third parties;
- Rs. 842.75 million in guarantees issued by the Company in favour of banks/financial institutions, of which:
  - Rs. 777.86 million is for loans taken out by the Company's associates and joint ventures not controlled by the Company; and
  - Rs. 64.89 million is for loans taken by Group concerns and against assets purchased.
- Rs. 9.37 million of claims not acknowledged as debts; and

- Rs. 3.94 million of disputed tax demands, net of taxes paid.

Market Risks

Foreign Currency Risk

Our future capital expenditures, including equipment and machinery, may be 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.

Interest Rate Risk

As at September 30, 2007, we had fixed and floating rate debt that exposed us to market risk as a result of changes in interest rates. As at September 30, 2007, Rs. 3,406.01 million, or 89.62% of our total secured debt outstanding, consisted of variable rate debt obligation. Upward fluctuations in interest rates increase the cost of debt and interest cost of outstanding variable rate borrowings.

From time to time we enter into derivative transactions to modify the nature of our debt so as to help manage our interest rate risk. As at September 30, 2007, we had entered into a derivative transaction of a Japanese Yen and Rupee cross currency swap with interest rate cap protection with settlement dates of May 16, 2008, May 18, 2009 and May 17, 2010. We have accounted for the interest receivable on the swap as interest from derivatives. As at September 30, 2007, the unrealized profit on the fair value of the swap was US$126,652, which amount has not been included in our financial statements.

Information Required as per Clause 6.10.5.5 of the SEBI 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 "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations on a Consolidated Basis" and elsewhere in 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.

Future Relationship between Cost and Income

Except as described in "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations on a Consolidated Basis", to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Competitive Conditions

Please refer to the sections entitled "Our Business – Competition", "Industry" and "Risk Factors" in this Draft Red Herring Prospectus for discussions regarding competition.

Significant Developments after September 30, 2007

On December 24, 2007 the Company issued six Equity Shares for each Equity Share held by shareholders of the Company on that date as a bonus issue. A total of 33,647,286 Equity Shares were issued in the bonus issue, which increased the amount of Equity Shares outstanding from 5,697,881 to 39,255,167. Except for the issuance of the bonus Equity Shares and except as stated elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since September 30, 2007, which is the date of

the most recent financial statements included in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect our profitability, our financial condition or our ability to pay our material liabilities within the next 12 months.

Except as stated elsewhere in this Draft Red Herring Prospectus, there are no subsequent developments after the date of the Auditor's report dated December 21, 2008 that we believe are expected to have material impact on our reserves, profits, earnings per share or book value.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Save as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our subsidiaries, our directors, our Promoter and Promoter Group Companies and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions/small scale undertaking(s), defaults against banks/financial institutions/small scale undertaking(s), defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by the Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoter or Directors.

Litigation involving the Directors

1. Mr. Deepak Katariya (the "Plaintiff") has filed a suit (Civil Misc. Application No. 321/2000) against Mr. Ashok Katariya, the Urban Land Ceiling Department and others in the court of the Civil Judge, Senior Division, Nasik. The Plaintiff made this civil application for appointment of an arbitrator under section 20 of the Arbitration and Conciliation Act, 1940. Earlier, the Plaintiff was partner in two firms, namely, Ashoka Builders and Ashoka Group and shareholder in two companies, namely, Ashoka Buildwell and Developers Private Limited and Hotel Evening Inn Private Limited. Under the deed of partnership, disputes were to be settled by an arbitrator. The Plaintiff allegedly appointed Suresh Kela as arbitrator for partition of commonly held properties. Suresh Kela drafted his award which was not accepted by Ashok Katariya but was accepted by the Plaintiff. The Plaintiff has alleged that as provided in the draft award, Plaintiff is entitled to receive cash and certain properties. The Plaintiff alleged that Ashok Katariya intends to alienate the properties that were to be awarded to the Plaintiff. The Second Joint Civil judge, Nashik passed an order restraining Ashok Katariya from alienating properties. This order was challenged by Ashok Katariya in Civil Miscellaneous Appeal (244/1998), which was allowed. The Plaintiff filed a writ petition (6631/1999) before High Court of Bombay, which was rejected on the ground that the Plaintiff had not approached the competent court under the Arbitration and Conciliation Act. The Plaintiff filed a Special Leave Petition (12388/2000) before the Supreme Court which was also rejected whilst granting leave to the Plaintiff to file a fresh application before the competent court. Consequently, the Plaintiff has filed the instant application for issuance of directions to the respondents to file the alleged arbitration agreement with Suresh Kela and direct Suresh Kela (one of the respondents) to declare an award if he agrees to continue as the arbitrator. If Suresh Kela disagrees to act as arbitrator, the Plaintiff prays that the court should appoint a new arbitrator and complete the arbitration proceedings within a stipulated time. The Plaintiff prayed for an injunction to restrain Ashok Katariya from selling the disputed property, which was granted. Ashok Katariya has denied the existence of any arbitration agreement. Further, none of the four firms mentioned above have been made a party to the suit. The matter is currently pending.

2. Mr. Deepak Katariya (the "Plaintiff") has filed a writ petition (Writ Petition No. 7366 / 2004) against Hotel Evening Inn Private Limited, Mr. Ashok Katariya and Mr. Suresh Chaturbhuj Kela. Hotel Evening Inn Private Limited had filed a civil suit (regular civil suit no. 350 / 1998) against Mr. Deepak Katariya, Mr. Ashok Katariya and Mr. Suresh Kela stating that under an alleged arbitration agreement (referred to in the CMA no.321/2000 above) executed by Mr. Deepak Katariya and Mr. Ashok Katariya; Mr. Suresh Kela was appointed as arbitrator in respect of an arbitration between the shareholders of Hotel Evening Inn Private Limited i.e. Mr. Deepak Katariya and Mr. Ashok Katariya, with Hotel Evening Inn Private Limited as the subject matter of the arbitration. Hotel Evening Inn Private Limited and Mr. Ashok Katariya denied the existence of arbitration agreement. The court decreed that the arbitration agreement was null and void and hence, not binding on Hotel Evening Inn Private Limited. The said judgement was challenged by Mr. Deepak Katariya in Civil Appeal 226 / 2003. The appeal was dismissed on grounds of being

barred by limitation. Hence, Mr. Deepak Katariya filed the present writ petition. The matter is currently pending.

3.

4. Mr. Deepak Katariya has filed civil appeals no.99/2005, 100/2005 and 101/2005, before the District Judge, Nashik, against the decree in the civil suit no. 349/1998, civil suit no. 355/1998 and regular civil suit no. 398/1998 respectively. The said civil suits were filed by Ashoka Group, Ashoka Buildwell & Developers Private Limited and Ashoka Builders, against Deepak Katariya, Ashok Katariya and Suresh Kela, challenging the appointment of Mr. Suresh Kela as arbitrator under an alleged arbitration agreement (which is referred in the above CMA No.321/2000) executed by Mr. Deepak Katariya and Mr. Ashok Katariya and the validity of the agreement. Ashoka Group, Ashoka Buildwell & Developers Private Limited, Ashoka Builders and Mr. Ashok Katariya denied the existence of the arbitration agreement. The court decreed that the arbitration agreement was null and void and hence, not binding on Ashoka Group, Ashoka Buildwell & Developers Private Limited and Ashoka Builders. The said judgments have been challenged by Mr. Deepak Katariya in civil appeals no.99/05, 100/05 and 101/05. The appeals are currently pending.

5. A Special Civil Suit has been filed in the court of the Civil Judge (Senior Division) Nasik by Smt. Parvatabai Tidke and others (the "Plaintiffs") against Mr. Ashok Katariya, Mr. Satish Parakh and Mr. Ashish Katariya (the "Defendants"). The Plaintiffs, who are the land owners, have stated that the Defendants have committed a breach of the development agreement entered into between the Plaintiffs and the Defendants. The Plaintiffs have prayed for the cancellation of the development agreement and repossession of their property. As per the development agreement produced by the Plaintiffs, the total consideration payable to them is Rs.2.6 million plus 4000 square feet built up area after development of the said land. One M/s Thakker Developers have also impleaded themselves as a party in the said suit. Further, M/s. Thakker Developer has filed a suit (Sp. C. No. 291/96) against the Plaintiffs, wherein the Defendants have impleaded themselves as a party. Both the suits are currently pending.

6. Mrs. Sharda D. Patel and others (the "Plaintiffs") have filed a suit, in the court of Civil Judge (Senior Division) Nasik, against Mr. Ashok Katariya, Mrs. Asha Ashok Katariya and others (the "Defendants"). The Plaintiffs are the owners of land adjoining the property owned by the Defendants. The Plaintiffs have claimed access to land adjoining the Defendants' property and have also sought an injunction against final approval of the lay out with respect to the Defendants' property from the Nasik Municipal Corporation. However, no injunction was granted, consequent whereto the Plaintiffs filed civil miscellaneous appeal (No. 180/04) in the court of District Judge, Nasik. The said appeal has been dismissed. The suit is currently pending and the next date in the matter is January 14, 2008.

7. A criminal complaint has been filed by Vadilal Milk Products Limited, against Ashok Buildwell and Developers Private Limited, Ashok M. Katariya, Satish D. Parakh and Deepak M. Katariya under section 420 of the Indian Penal Code, in the Court of the Metropolitan Magistrate, Andheri, Mumbai. The Complainant has alleged that the directors of the company have cheated the Complainant by not paying charges for management services provided by the Complainant. The amount claimed by the Complainant aggregates approximately to Rs.1.38 million.

8. A motor accident claim has been filed against, Mr. Sunil B. Raisoni, New India Assurance Company and one Mr. Prashant Kale, before the Motor Accident Claims Tribunal. Mr. Sunil Raisoni has contended that the vehicle involved in the accident had been sold by him to Mr. Prashant Kale at the time of the accident. Mr. Prashant Kale is presently mentioned as the owner of the vehicle in RTO records. However, the insurance policy was, at the time of the accident, in the name of Mr. Sunil B. Raisoni. Mr. Sunil B. Raisoni has sought the dismissal of proceedings against him. The claimant has claimed Rs. 0.1 million under section 166 of the Motor Vehicles Act 1989 and Rs.0.025 million under section 140 of the Motor Vehicles Act, along with 24% interest per annum. The matter is currently pending.

9. The Government of Maharashtra through the Urban Land Ceiling Department, Nasik has filed a criminal complaint against Ashoka Buildwell and Developers Private Limited, Mr. Ashok Katariya (as a Director) and Mr. Deepak Katariya (as an erstwhile Director) ("Respondents") before the Judicial Magistrate, First Class, Nasik. Respondents were charged with inducting tenants into a flat allotted to the Government allotees. Mr. Ashok Katariya has alleged that Mr. Deepak Katariya inducted the tenants without his knowledge and further contended that the case against him should be dismissed. The said application was rejected by the court, which held that both Directors were responsible for acts of their company. In the meanwhile, the nominees of the government were given possession of the flats allotted to them by Ashoka Buildwell & Developers Private Limited. Consequently, Mr. Ashok Katariya has filed another application for discharge, which is currently pending.

6. A criminal complaint had been filed by Mr. Pratap Kesharchand Doshi, against M/s. Ashoka Builders (Nasik) Private Limited, Mr. Ashok M. Katariya, Mr. Sunil B. Raisoni and others, in the court of Judicial Magistrate First Class, Baramati under section 138 of Negotiable Instrument Act. The complaint pertains to the dishonour of cheques amounting to Rs.0.79 million. Mr. Ashok Motilal Katariya had filed revision against the issuance of process. The said revision was allowed and the Sessions Court, Baramati, quashed the process issued against Mr. Ashok Motilal Katariya. Mr. P. Doshi has filed a criminal revision petition, in the Bombay High Court, Mumbai, challenging the order of the Sessions Court. The revision petition is currently pending.

7. The Commissioner of Income Tax has passed certain orders against the Company, Mr. Ashok Katariya (Chairman) and Mr. Satish Parakh (Managing Director) in their capacity as principal officers of the Company, stating that there were delays in payment of tax deducted at source of Rs.1.06 million, Rs.2.99 million, Rs.12.41 million, Rs.8.15 million and Rs.3.45 million for the assessment years , 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06 respectively. The Company has paid the tax deducted at source along with interest for the delay. However, the Commissioner of Income Tax has initiated criminal proceedings against the Company. The matters are currently pending.

8. Assistant Commissioner of Income Tax, Nasik Circle had issued an Assessment Order to Mr. Ashok Motilal Katariya (the "Assessee") for the assessment year 2000-01. The order pertains to disallowance of business loss and the loss on sale of land to be considered as capital loss and as ad-hoc additions due to reduction in Gross Profit Ratio. The Assessee filed an appeal against the said assessment order before the CIT (Appeals), Nasik, which was decided in favour of the Assessee. The Income Tax Department has preferred an appeal against the order of CIT (Appeals, Nasik) before the Income Tax Appellate Tribunal, Pune and the matter is currently pending.

9. 5 criminal complaints, under section 138 of Negotiable Instruments Act, have been filed against Sagar Developers. The aggregate amount involved is Rs.2.75 million. Mr. Sunil Bansilal Raisoni, Mrs. Asha Ashok Katariya and Mrs. Shobha Satish Parakh are the partners of the firm. The complaints are currently pending.

10. 5 criminal complaints, under section 138 of Negotiable Instruments Act, have been filed against R. K. Developers. The aggregate amount involved is Rs.1.57 million. Mr. Ashok Motilal Katariya, Mrs. Vimal Bansilal Raisoni and Mrs. Shobha Satish Parakh are the partners of the firm. The complaints are currently pending.

11. 4 criminal complaints, under section 138 of Negotiable Instruments Act, have been filed against Puja Developers. The aggregate amount involved is Rs.1.08 million. Mr. Pradip Bansilal Raisoni, Mr. Ashish Ashok Katariya and Mr. Satish Dhondulal Parakh are the partners of the firm. The complaints are currently pending.

12. 2 criminal complaints, under section 138 of Negotiable Instruments Act, have been filed against Trimurti Developers. The aggregate amount involved is Rs. 0.73 million. Mr. Ashok Motilal Katariya, Mr. Satish Dhondulal Parakh and Mr. Bansilal B. Raisoni are the partners of the firm. The complaints are currently pending.

13. A special civil suit has been filed by Mr. Ashok Katariya (the "Plaintiff") against Mr. Prakash Nigal and others (the "Defendants") for specific performance of a contract. The Plaintiffs have claimed that the Defendants have executed an agreement of sale in favour of the Plaintiffs regarding land situated at Nasik and accepted an advance of Rs. 0.05 million in respect thereof and have sought the specific performance of the said agreement. The court has granted an interim stay in favour of the Plaintiff. The matter is currently pending.

14. A special civil suit has been filed by Mr. Satish D. Parakh against Mr. Pandurang T. Khaire for specific performance of a contract. Mr. Satish D. Parakh has claimed that Mr. Pandurang T. Khaire executed a sale receipt of land situated at Nasik in his favour and accepted an advance of Rs.0.10 million. The matter is currently pending.

Litigation against the Company

Civil Cases

1. Jugalkishor B. Ginodiya and another (the "Plaintiffs") have filed a suit against the Company and the Government of Maharashtra before the Civil Judge Senior Division, Dhule. The Government of Maharashtra has awarded a project for the construction of a road outside Dhule city to the Company. The Plaintiffs allege that they own a piece of land bearing survey no. 506/ 2B2 admeasuring 1 hectare and 94 ares (the "suit property"). The Plaintiffs further allege that certain portion of the suit property was proposed to beacquired for construction of the Surat-Nagpur Bypass and the requisite notifications in respect of the same were made under the Land Acquisition Act. The project for the construction of the said bypass was awarded to the Company by the Government of Maharashtra. The Plaintiffs filed their objections to the notification under the Land Acquisition Act. However, no further action was taken in respect of the objections. The Plaintiffs later contended that the suit property has been encroached upon by the Company. The Plaintiffs have claimed Rs.1.8 million, 18 per cent interest per annum, compensation for future mesne profits estimated at Rs.0.2 million and Rs.0.001 million as costs for the legal notice. The suit is currently pending.

2. Two civil suits have been filed by Orient Cargo Limited against the Company before the City Civil Court, Chennai for recovery of transportation charges amounting to Rs. 0.057 million along with interest at the rate of 24 per cent per annum and Rs. 0.08 million along with interest at the rate of 24% per annum. The suits are currently pending.

3. An appeal has been filed by Ashoka Info Private Limited (now merged with the Company) against the State of Maharashtra and another before the Revenue Minister, Government of Maharashtra. During the execution of the project for the construction of the Ahmednagar-Karmala Road by Ashoka Info Private Limited, it had extracted dubber and murum (minerals) at the construction site. The Tahsildar, Karjat passed an order directing Ashoka Info Private Limited to pay a royalty of Rs. 2.17 million for extraction of the minerals. Ashoka Info Private Limited contends that the Collector had granted permission to it to extract minerals and the company has purchased land in order to do so. The Company appealed to Sub-Divisional Officer, Karjat (RTS appeal No.43/2003) who ordered the payment of a royalty of Rs. 0.243 million. Ashoka Info Private Limited appealed to the Additional Collector who quashed the Sub-Divisional Officer's order and confirmed the Tahsildar's order. Ashoka Info Private Limited filed a revision application before the Revenue Commissioner, Nasik (Revision Application 257/ 2005) who remanded the matter back to the Additional Collector. The Additional Collector again passed an order directing Ashoka Info Private Limited, to pay an amount of Rs. 0.26 million. Ashoka Info Private Limited filed a revision application no. 342/2006 before the Revenue Commissioner, Nasik. The Revenue Commissioner set aside the order of Additional Collector and confirmed the order passed by the Tahsildar, Karjat. Ashoka Info Private Limited filed an appeal, before the Revenue Minister, against the order passed by the Revenue Commissioner, Nasik. The appeal is currently pending.

4. A writ petition has been filed by Mr. Chandrakant Gattani (the "Petitioner") against Ashok Info Private Limited (now merged into the Company) and the State of Maharashtra before the High Court of Bombay. The Petitioner has filed the writ petition against the collection of toll twice at two toll booths along Ahmednagar-Karmala road, collection of toll before the completion of the improvement works and increase in toll rates every three years. Ashok Info Private Limited has conceded that the earlier terms of agreement with the Government of Maharashtra permitted collection of toll only upon the completion of the entire project. However, subsequent to the amendment of the agreement, Ashok Info Private Limited was permitted to commence collection of toll at the end of each phase. Petitioner has prayed that the Court set aside clauses of the Government's sanction order that permits the Company to collect toll at the end of each phase and strike down the rate of increase of toll every three years from 5% to 8%. The petition is currently pending.

5. A civil suit has been filed by one Basantbai (the "Claimant") against "Ashoka Group" before the Additional District Judge, Khandwa. The Claimant has alleged that her husband died in an accident on the Mortakka Bridge which was being maintained by the Company, and has prayed for a compensation of approximately Rs. 0.86 million. The Company has filed a written statement. The Claimant has subsequently filed an application to make the Company a party to the dispute. The suit is currently pending.

6. The Sub Divisional Officer, Mhow has passed an order for payment of royalty aggregating to approximately Rs. 0.22 million for murum allegedly extracted by the Company without permission. An appeal has been filed by the Company, before the Additional Commissioner, Indore, against the Madhya Pradesh Government and Sarpanch, Gram Panchayat, Simrol, Tehsil Mhow. The appeal is currently pending.

7. A public interest litigation has been filed by Mohd. Rafique and Rajesh Baheti, Secretary of Khandwa Truck Owners Association, (the "Plaintiffs") against the State of Madhya Pradesh, Madhya Pradesh Rajya Setu Nirman Nigam Limited, VHPL and others before the Jabalpur Bench of Madhya Pradesh High Court Court. The Plaintiffs have contended that 2 toll booths at Deshgaon and Dulhar Phata on the Indore – Edalabad road have been illegally constructed as they were not envisaged under the concession agreement signed between the Madhya Pradesh Rajya Setu Niman Nigam Limited and VHPL for the construction of the Indore- Edalabad road. VHPL has stated that as per concession agreement, in the event of the construction of a bypass or road due to which there is leakage in the collection of toll, VHPL would be permitted to erect check posts such that the leakage in collection of toll was minimized. The Court vide an interim order dated July 28, 2004, directed that VHPL should give additional concession to the frequent users of the road by way of issuing them monthly passes vide which 50% toll shall be charged on local commercial vehicles frequently plying the road. The matter is currently pending.

8. Manoj Pawar and others ("Plaintiffs") have filed a suit against the Madhya Pradesh PWD, the Company and others before the Additional District Judge, Dewas. The Company entered into a concession agreement with the Madhya Pradesh PWD to construct the Dewas Bypass. Under the terms of the agreement it was permitted to erect 3 toll booths for the collection of toll tax. A notification to this effect was issued in the State Gazette pursuant whereto a suit was filed by the Plaintiffs seeking a declaration that the collection of toll was illegal and a permanent injunction against the collection thereof. The judge rejected the application for temporary injunction consequent whereto the Plaintiffs filed an appeal seeking the appointment of a Commissioner. The Company and Ashoka Infraways filed a writ petition, in the Indore Bench of the Madhya Pradesh High Court, against the order appointing the Commissioner. The suit is currently pending.

9. Mr. Ishwarappa Natekar, (through legal heirs) has filed a workmen's claim, against Ashoka E-Tech, the Company and Oriental Insurance Company, before the Commissioner for Workmen's Compensation, Pune. The claimant has alleged that Mr. Natekar's hand was stuck in a machine in the WMM Plant and broken, leading to 15 per cent disability in that hand. It is further alleged that the Company removed Mr. Natekar from work and did not pay any compensation. Mr. Natekar has prayed for compensation of Rs.0.294 million along with 18 per cent interest per annum. The claim is currently pending.

10. Hema Katariya, wife of Deepak Katariya, has sent a notice addressed to the Company, Mr. Ashok Katariya, Mr. Satish Parakh, Mrs. Asha Katariya and others including various promoter group entities and some of the directors of the promoter group entities. In the said notice Hema Katariya has stated that she is a partner of Ashoka Builders. She has further alleged that she is not allowed active participation in the firm and consequently intends to retire from it. She also wants to dissolve the firm and liquidate her share (10%) in the firm. Mrs. Hema Katariya has threatened to invoke arbitration proceedings if the firm is not dissolved and her share not given. She has, further, alleged that Mr. Satish Parakh and other partners have diverted the funds of the partnership firm and incorporated 35 separate private limited companies and partnership firms. She has, therefore, claimed a share in the net assets of the said firms and companies. Mr. Ashok Katariya, Mr. Satish Parakh and Mrs. Asha Katariya have replied to the notice wherein they have denied all the allegations.

11. One Nanibai widow of Suresh Bhilala has filed a claim, against the Company and others, in the Labour Court, Dhar (Madhya Pradesh). Nanibai has filed the claim regarding the death of her husband who died in an accident which took place at a site of the Company. The Claim is for an amount of Rs.0.10 million plus interest. The claim is currently pending.

12. A public interest litigation ("PIL") has been filed by one, Mr. Vyankatesh Dhondu Kulkarni (the "Petitioner") against the state of Maharashtra and others including the Company. The Petitioner has filed the PIL in relation to the construction of a major bridge across Mandave nalla at Mahad-Pandharpur road on state highway no. 70 (the "Bridge") undertaken by the Company. The Bridge was completed in 37 days whereas the prescribed period for construction was one year. The Petitioner has alleged that the said bridge could not be constructed within 37 days. The Petitioner has further alleged that respondents no. 7 to 9 have failed, *inter alia*, to strictly follow the tender conditions, check the constructions, grant timely approvals to designs after scrutiny and get monthly toll collection data. Furthermore, the Petitioner has stated that in accordance with the relevant law, the Company is entitled to collect only the capital outlay and that the Company's total collection of toll exceeds the total capital outlay as reflected in their tender documents. Consequently, the government should recover the excess toll collected by the Company. The Petitioner has also raised grievance regarding the change in the prime lending rates of banks and the effect thereof on the concession period. The Petitioner has, *inter alia*, prayed for recovery by the government of the excess toll collected by the Company and directions to the effect that respondent no. 1 (state of Maharashtra) initiate a departmental inquiry against the officials of the PWD for causing loss to the state government. The matter is currently pending and is yet to be admitted. The toll collection period granted to the Company expired on May 23, 2003 and the said road has already been handed over to the government.

Labour Cases

1. There are eight disputes pertaining to workmen's compensation filed by the legal heirs of employees/ ex-employees against the Company. The aggregate amount involved is approximately Rs. 2.41 million. The matters are currently pending.

2. Devidas Savate (the "Complainant") has filed a workmen's compensation case, against the Company and New India Assurance Company, before the Commissioner for Workmen's Compensation, Pune. The Complainant, a workman of the Company, claims to have suffered 47 per cent disability due to an accident sustained at a worksite. The Claimant has demanded Rs. 0.203 million as compensation. The case is currently pending.

3. Pushpa Kanwar Rajput ("Plaintiff") and others have filed a claim against the Company and ICICI Lombard General Insurance Co. Limited in the Labour Court at Bhilwada, Rajasthan. The Plaintiffs have claimed an aggregate amount of approximately Rs. 0.4 million, in their capacity as legal heirs of Puran Singh who died in a motor accident. The matter is currently pending.

4. Ashoka Info Private Limited (now merged into the Company) had hired Mr. Raju Hulgunde to carry out stone crushing work. Ashoka Info Private Limited has alleged that even though Mr. Hulgunde was paid for his services, yet he made further demands for money and also threatened to

go on a hunger strike. Despite being paid an additional sum, of upto Rs. 0.03 million, on humanitarian grounds, Mr. Hulgunde made even further demands for money and threatened to go on a hunger strike. Ashoka Info Private Limited has now filed a police complaint against Mr. Hulgunde. Ashoka Info Private Limited has received a notice from the Labour Commissioner based on representations made by Mr. Hulgunde.

5. Mrs. Mangalbai N. Kamble (the "Claimant") and another have filed a workmen's compensation claim against the Company and New India Assurance Co. The Claimant's son, a worker who was working at a project site, was run over by a transit mixer vehicle and succumbed due to his injuries. Both worker and vehicle were insured by New India Assurance Co. The Claimant has prayed for compensation of Rs. 0.45 million along with a penalty of 50% per annum and interest at the rate of 12 % per annum. The Claimant has also filed a claim before the Motor Accident Claims Tribunal of Rs. 0.1 million along with interest at the rate of 18% per annum. Furthermore, the Claimant has reserved the right to increase the amount of claim. The Company has contended that at least one of the claims must be withdrawn. The claims are currently pending.

Motor Accident Claims

1. Three motor accidents claims have been filed against the Company, involving an aggregate amount of approximately Rs. 3.75 million. The claims are currently pending.

2. Mr. Shyam Kanwar Rajput and others have filed a claim against the Company and ICICI Lombard General Insurance Company Limited in the Motor Accident Claim Tribunal at Chittorgarh for an aggregate amount of approximately Rs. 3.7 million. The claim is currently pending.

3. Mr. Imran Istyak Khan has filed a claim, against the Company and ICICI Lombard General Insurance Company Limited, before the Motor Accident Claims Tribunal at Mumbai. Mr. Imran Istyak Khan contends that he was injured when a vehicle, owned by the Company and insured by ICICI Lombard General Insurance Company Limited, collided with him. Mr. Imran Istyak Khan has made a claim of Rs. 0.025 million along with 14 % interest per annum under section 140 of the Motor Vehicles Act and Rs.0.1 million along with interest at the rate of 12% per annum under section 166 of the Motor Vehicles Act. The claim is currently pending.

4. Mrs. Rekha Laluprasad Yadav has filed a claim, against the Company and Oriental Insurance Company, before the Motor Accidents Claims Tribunal, Pune. The claimant has prayed for compensation of Rs. 0.15 million for the death of a person killed in a collision with a transit mixer vehicle owned by the Company and insured by Oriental Insurance Company. The claim is currently pending.

Criminal Cases

1 A criminal complaint has been filed by Mr. Santosh Moghe under section 3 (1) (10) of Schedule Caste and Schedule Tribes (Prevention of Atrocities) Act against certain employees of the Company before the Judicial Magistrate First Class (JM1C), Malshiras. The matter is currently pending. The JM1C has ordered investigation by Malshiras Police before issuing process. The employees of the company have preferred a criminal writ petition in the Bombay High Court, which is currently pending. The Bombay High Court has stayed the order of the JM1C during the pendency of the writ petition.

2. The Government of Maharashtra has filed a criminal complaint against the Company before the Judicial Magistrate, First Class, Murtijapur. The complaint was registered for violation of various provisions of the Contract Labour (Regulation & Abolition) Act, 1974, which include employing contract labour without possessing a contract labour licence. The complaint is currently pending.

3. The Government of Maharashtra has filed a criminal complaint, against the Company, before the Judicial Magistrate, First Class, Murtijapur. The complaint was registered for violation of various provisions of the Interstate Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and Central Rules, 1980 which include employing inter-state migrant workmen without obtaining a licence. The complaint is currently pending.

4. A criminal complaint has been filed by one Mr. J. K. Varma against the Company through its director Mr. R. C. Burad and others in the court of Judicial Magistrate First Class, Dewas under sections 107, 120B, 166, 167, 405, 415 of the Indian Penal Code. The main grievance of the complainant is that the accused has unauthorizedly collected the toll tax from the toll plaza situated at Km. 159/4 of S.H.-18 on Bhopal - Ujjain Road. The court has passed an order for the issue of process. The accused have filed criminal writ petition bearing no. 1905/2007 in the Indore Bench of Madhya Pradesh High Court challenging the said order. The criminal writ petition has been admitted and the order of lower court stayed. The matter is currently pending.

Tax Cases

Direct Taxes

1. The Company has filed an appeal, in the Income Tax Appellate Tribunal, Pune, against the order of Commissioner of Income Tax (A), Pune. The impugned order had disallowed depreciation, on the right to collect toll, as an intangible asset, while allowing amoritisation over the life of project and pertains to FY 2003-04. The aggregate amount involved is Rs. 13.8 million. The Company has paid Rs. 8 million under protest. The appeal was partially allowed by CIT (A), Pune and matter is currently pending at ITAT, Pune. The Company has got the refund of Rs. 8 million along with interest from the Income Tax Department.

2. The Company has filed an appeal before the Commissioner of Income Tax, Nasik against the order of Assistant Commissioner of Income Tax, Circle 1, Nasik. The impugned order had disallowed depreciation, on the right to collect toll as an intangible asset, while allowing amoritisation over the life of project and pertains to FY 2003-04. The matter is currently pending.

3. The Commissioner of Income Tax has initiated revision proceedings under section 263 of the Income Tax Act against the Company. The case pertains to assessment year 2003-04 and is currently pending.

4. Assistant Commissioner of Income Tax, Nasik Circle had issued an Assessment Order to the Company (erstwhile Ashoka Vastushilp Private Limited) (the "Assessee") for the assessment year 2000-01. The order pertains to disallowance of proportionate expenses and adjusting interest income from business losses. The Assessee filed an appeal against the said assessment order before the CIT (Appeals), Nasik, which was decided in favour of the Assessee. The Income Tax Department has preferred an appeal against the order of CIT (Appeals, Nasik) before the Income Tax Appellate Tribunal, Pune and the matter is currently pending

5. The Additional Commissioner of Income Tax, Pune has sent a notice for recovery of demand against the assessment of Mr. H. S. Soni (excluding interest) under Section 220 (2) of the Income Tax Act. During the course of an income tax department raid on Mr. Shreeram Soni ("Assessee"), the materials seized during the income tax department raid indicated that the Company owed the Assessee Rs.1 million excluding interest at the rate of 2% per month, as on July 29, 2003. The Income Tax Department has made a demand for the principal along with interest. The Company had sent a letter dated February 1, 2007 to Income Tax Department seeking the details of the materials, relying whereon the Income Tax Department had concluded that a loan of Rs. 1 million was outstanding. The Income Tax Department has asked for the details of outstanding loans payable as per company books of accounts to which the satisfactorily replied vide its letter dated May 31, 2007. There has been no further communication thereafter.

6. Four different notices have been issued against the Company, under section 148 of the Income Tax Act, for the FYs 1999-00, 2000-2001, 2001-02 and 2003-04. 3 of the notices have been issued by the Assistant Commissioner of Income Tax, Circle 1, Pune and one notice has been issued by the Assistant Commissioner of Income Tax, Circle 1, Nasik. The notices pertain to various issues which include disallowing of depreciation on the right to collect toll as an intangible asset, allowing amoritisation over the life of the project and carry forward of unabsorbed depreciation. The tax demand aggregates approximately to Rs. 31.97 million.

7. The Additional Commissioner of Income Tax, Cricle 1 Nashik, has completed the assessment for the financial year 2004-2005 and issued two tax demands against the Company. The tax demands have been raised for disallowability of carry forward of losses and unabsorbed depreciation of amalgamating company to the amalgamated company and disallowance of depreciation on the right to collect toll as an intangible asset, allowing amoritisation over the life of the project. The aggregate amount involved is Rs. 18.39 million.

Indirect Taxes

Excise

1. A show cause notice has been issued to the Company, by the Superintendent, Central Excise, Indore. The show cause notice has been issued regarding the payment of service tax on repairs and maintenance of BOT Projects and service tax free supply component in ready mix concrete.

Sales Tax

2. Commissioner of Sales Tax, Maharashtra State, Mumbai has issued notice, to Ashoka Infrastructures, for registering the SPV for the purposes of sales tax. Ashoka Infrastructures had sought a clarification from the Commisioner of Sales Tax, Mumbai by way of DDQ regarding applicability of sales tax to the SPV. The Commissioner of Sales Tax, Mumbai issued clarification confirming the requirement of registration of the SPV. The said clarification has been challenged by Ashoka Infrastructures before the Sales Tax Tribunal, Mumbai. The case is currently pending.

Customs

1. Assistant Commissioner of Customs has issued notice for the year 2001-02 against the Company (erstwhile Ashoka Info Private Limited, which merged into the Company) for adjudication of duty on bitumen. The Company had classified the goods as natural bitumen, which was not acceptable to the department. The amount involved is Rs. 3.8 million.

Arbitration Claims

1. The Company has filed two different applications under sections 9 and 34 of the Arbitration and Conciliation Act, 1996; against the award in Reference – I at the District Court, Sangli. It relates to the contract of bridge across Krishna river near Ankali Village (BOT Project-Ref. I). The company has claimed an amount of Rs.105.02 million plus interest. The court has granted a temporary injunction against the employer and the matter relating to section 34 of the Arbitration and Conciliation Act is currently pending.

2. The PWD had also filed an application under section 34, Arbitration and Conciliation Act in the court of the Senior Judge, Sangli but the application has been rejected, with the liberty to file the application before the appropriate forum. The Government of Maharashtra has approached the District Judge, Sangli and the Company has filed its reply thereto. The matter is currently pending.

Litigation by the Company

Civil Cases

1. In relation to a contract for construction of a building for the Central Bank of India, the Company had certain outstanding claims that were rejected by the Central Bank of India. Consequently, the Company invoked the arbitration clause. The sole arbitrator passed an award aggregating approximately to Rs. 3.04 million in favour of the Company, which was challenged by Central Bank of Indiain the court of Additional District Judge, Nasik. The Court ordered the modification of the award whereby one claim relating to price escalation due to Gulf War, which amounted to approximately Rs. 0.38 million was rejected. The Central Bank of India deposited a portion of the award amounting to approximately Rs. 2.44 million. Meanwhile, the Company filed execution proceedings, before the Court of the Additional District Judge, Nasik, for the recovery of the awarded amount and the interest thereon. The Additional District Judge awarded interest at the rate of 18 % per annum on Rs. 2.47 million from May 4, 1999 to July 25, 2003, 18 per cent interest per annum on Rs. 0.029 million and a further amount of Rs. 0.029 million. The Company has filed an appeal challenging the disallowance of price escalation claim and a writ petition

against the order in relation to calculation of interest before the Bombay High Court. The Central Bank of India has also filed a writ petition against the order of the Additional District Judge, Nasik challenging the calculation of interest. The appealfiled by the Company has been admitted. The writ petitions filed by the Company and Central Bank of India have been disposed off by the Bombay High Court. The Bombay High Court has set aside the order passed by the Additional District Judge, Nasik and upheld that the Company is entitled to interest @ 18% p.a. from May 4, 1999 until the actual realization of the total decretal amount. The Central Bank of India has challenged the High Court's order by filing a Special Leave Petition in Supreme Court of India, which is currently pending.

2. The Company had entered into a contract for the construction of a bridge for Niphad Sahakari Sakhar Karkhana Ltd. ("NSSKL"). The Company had certain outstanding claims in relation to the said contract which were rejected by NSSKL, causing the Company to invoke the arbitration clause in the contract. Pursuant to the arbitration proceedings, an award aggregating approximately to Rs. 15.93 million was passed in favour of the Company. The arbitral award was challenged by NSSKL before the District Judge, Nasik, who rejected the challenge. NSSKL filed an appeal before the High Court of Bombay. The High Court stayed the order of the District Judge on the condition that NSSKL deposit 50 % of the value of the arbitral award and also submit for the balance 50% a bank guarantee from a nationalized bank within 12 weeks of the order of stay. On April 17, 2006, the High Court stated that since no money had been deposited, the arbitration darkhast could proceed. The Company filed execution proceedings before the Civil Judge (Senior Division), Niphad for execution of arbitral award. However, the Civil Judge (Senior Division), Niphad denied it had jurisdiction. NSSKL has since executed a promissory note in favour of the Nasik District Central Co-op Bank for an amount of Rs. 915 million. A loan of Rs. 1,361.95 million was granted to NSSKL in lieu of certain property mortgaged with the bank. The Company had filed a writ petition before the High Court of Bombay challenging the order of the Civil Judge, Niphad. The High Court of Bombay has allowed the said writ petition and directed the Civil Judge Senior Division, Niphad to proceed with the Darkhast filed by the Company. Accordingly, the Company has again filed the execution proceedings in the court of Civil Judge (Senior Divison), Niphad which are currently pending.

3. The Company has filed a summary suit against Sunil Sinnarkar, the proprietor of Messrs. Brain Controls and Systems for recovery of Rs. 0.072 million along with interest at the rate of 24 % per annum. The suit is currently pending.

4. The Company had entered into a contract, for the construction of a factory building, with Europlast India Limited ("Europlast"). The Company was not paid by Europlast as per the bill raised, consequent whereto the Company invoked the arbitration clause in the contract. Pursuant to the arbitral proceedings, an award of Rs. 9.76 million along with interest was passed in favor of the Company. Europlast filed an application before the High Court of Bombay for setting aside of the award, which was rejected. The Company filed an execution proceeding before the Civil Judge, Senior Division, Panvel for the enforcement of the award. Meanwhile certain unsecured creditors of Europlast filed a petition before the High Court of Bombay claiming refund of their deposits. The High Court ordered the sale of Europlast's factory building in satisfaction of the claims of the unsecured creditors. During the Company's execution proceedings before the Civil Judge, Panvel, the order of sale of the factory building passed by the High Court came to light, as a result of whereof, the execution proceedings were stayed. The Company filed an application before the High Court of Bombay and was joined as an unsecured creditor. The High Court has ordered the formation of a committee which is empowered to sell Europlast's factory building and distribute the sale proceeds proportionately amongst the unsecured creditors. The matter is currently pending.

5. The Company has filed a recovery suit against Sanghvi Motors Limited (the "Respondent") before the Civil Judge, Pune pertaining to outstanding claims for work done by the Company aggregating to approximately Rs. 2.46 million. The suit is currently pending.

6. A civil suit has been filed by the Company through Ashoka Constructions, whose project was taken over by the Company, against Yashwantrao Chavan Maharashtra Open University

("University"), Nasik before Additional District Judge, Nashik. It pertains to outstanding claims aggregating to approximately Rs.106.25 million. The claims had arisen in relation to the construction of an administrative building for the University. The Company had filed an application for referring the matter to arbitration by appointing a sole arbitrator, which was allowed. The final award has been given in favour of the Company and the University has been ordered to pay an amount of approximately Rs. 25.64 million to the Company. The said award has been challenged by the University through an application filed under section 34 of the Arbitration and Conciliation Act, 1996, in the court of District Judge, Nasik. The application is currently pending. The Company through Ashoka Constructions has also challenged the award by filing an arbitration application. The matter is currently pending.

7. The Company has filed two suits in the Co-operative Court, Pune in respect of the contract relating to construction of an industrial complex for Pavana Industrial Premises Co-operative Society Limited. The claim amounts to approximately Rs. 10.00 million plus interest. The Company had also filed application under section 89, CPC for the appointment of arbitrator, which was rejected. The Company filed an appeal against the said order before the Co-operative Tribunal, which is currently pending. The suit is also presently pending.

8. The Company, through Ashoka Constructions, has filed a suit, against Pune Municipal Corporation, in the Senior Division Court, Pune. It relates to a contract regarding the construction of flyover-bridge at Paud Phata, Pune. The Company has claimed for an amount of Rs. 6.44 million plus interest. Pune Municipal Corporation has paid an amount of Rs. 0.62 million in the court. The company has submitted application for appointment of arbitrator under section 89 of CPC. The application is currently pending.

9. The Company has filed appeals, against Kalyan Dombiwali Municipal Corporation, challenging the judgment of the Senior Division Court, Kalyan, before the Bombay High Court. The Senior Division Court, Kalyan had partially rejected the Company's claims for illegal termination and damages for an amount of Rs. 10.80 million plus interest. The claims related to the contract for construction of FOB connected to the railway bridge on the east and the west side of Borivali Railway Station. The appeal has been admitted by the High Court and the company has withdrawn the amount of Rs. 0.15 million against bank guarantee deposited by the respondent. The respondent has also filed appeal against the same order in the High Court, Bombay against partial allowing of the claims. The appeals are currently pending.

10. The Company has filed suit for permanent injunction, against Nasik Municipal Corporation (NMC), in the Court of Civil Judge (Senior Division), Nasik. NMC had sent a notice to the Company mandating the removal its Ready Mix Plant as it is illegal and has been installed without any permissions. The said RMC plant is situated at survey no. 46/1 of Gangapur, Nasik. The court has granted an interim injunction in favour of the Company. The suit is currently pending.

11. The Company has filed an appeal before the Chief Controlling Revenue Authority, Pune challenging the issuance of notice by the Collector of Stamps, Sangli for paying the deficit stamp duty and fine amounting to Rs. 65.90 million on the BOT Agreement dated March 23, 1999 between the Company, the government of Maharashtra and others. The Company had filed an application for the grant of stay of the order of the Collector of Stamps, Sangli. The matter is currently pending.

Criminal Cases

1. There are 25 criminal complaints filed by the Company against various individuals and entities under Section 138 of the Negotiable Instrument Act for dishonour of cheques before the Metropolitan Magistrate, Mumbai, the Judicial Magistrate, Nasik and the Judicial Magistrate, Pune. The aggregate amount involved is Rs. 9.65 million. The complaints are currently pending.

2. The Company has commenced a criminal case under Section 138 of the Negotiable Instruments Act against Europlast and its principal officers for dishonour of a cheque of Rs. 0.531 million drawn in its favour by Europlast. Some of the principal officers filed applications to have the case against them dismissed as they were non-executive directors and were not concerned with the day-to-day running of the affairs of Europlast. The Metropolitan Magistrate rejected this application.

Two ex-Directors, Mrs. Rajyalaxmi Rao and Mr. Mohan Jaykar have filed writ petitions before the High Court of Bombay seeking dismissal of the criminal proceedings instituted against them. The petitions have been admitted and the proceedings against them stayed. The case is currently pending.

3. The Company has filed a criminal complaint under Section 138 of Negotiable Instruments Act against Mr. Pravin Patil for dishonour of cheque of Rs. 0.172 million drawn in favour of the Company. The complaint is currently pending.

Tax Cases

1. The BMC had assessed, the FOBs at Priyadarshini circle, Godrej factory, Tagore Nagar and Praveen hotel on the Eastern express highway, Mumbai, for an annual assessment of Rs. 1.20 million. The foot bridges were constructed by the Ashoka High-Way Ad on BOT basis in terms of the contract with PWD, Mumbai, Government of Maharashtra. The total accumulated taxes to be paid are Rs. 4.36 million plus interest. Ashoka High-Way Ad has appealed against the assessment in the Small Causes Court, Mumbai challenging the levy of the property tax on properties constructed on BOT basis. The appeal is currently pending.

Arbitration Claims

1. The Company has initiated arbitration proceedings in Reference II against PWD, Government of Maharashtra, Miraj, before an arbitration tribunal in Pune. It arose in relation to a contract between the parties pertaining to construction of a major bridge and its approaches across river Krishna at Ankali on Ratnagiri – Kolhapur - Solapur Road on BOT basis. The Company has made various claims. The aggregate amount involved is approximately Rs. 32.41 million plus interest. The matter is currently pending.

2. The Company under joint venture with Jayaswals Ashoka Infrastructure Private Limited has initiated arbitration proceeding against the Government of India, Ministry of Surface Transport before a sole arbitrator in Nagpur in July 2007. It relates to a contract for construction of a bridge and its approaches across Wainganga river in km. 491/00 of Nagpur-Raipur road section of NH6 in Bhandara District on BOT basis. The Company is claiming an extension in concession period on account of extra scope delay, toll rate for TATA mini buses etc. The amounts and concession period claimed are Rs. 143.01 million plus 77 days respectively. The Concession period was extended for 180 days on account of delay in approval of design and drawings. The preliminary meeting of the tribunal was held where the objection of the respondent to the jurisdiction has been rejected. The matter is currently pending and the Company is required to submit the statement of claims before February 28, 2008.

3. Ashoka Info Private Limited (AIPL) (now merged with the Company) has initiated arbitration proceedings against PWD, Ahmednagar, Government of Maharashtra before an Arbitration Tribunal at Pune. The proceedings have been initiated in relation to a contract pertaining to improvement of Ahmednagar-Karmala Road state highway no. 141 (k.m. 0/00 to 80/600) on the border of Ahmednagar district under BOT Scheme (with toll rights). AIPL is claiming damages for delay in toll notification and grant of extension in construction period. The total amount claimed is Rs. 77.78 million plus interest thereon. The respondent has filed the statement of defence and AIPL has filed a rejoinder thereto. The matter is presently pending.

4. The Company has initiated arbitration proceedings against PWD, Jalgaon, Government of Maharashtra, before the arbitration tribunal at Nashik. The proceedings have arisen out of a contract pertaining to construction of Railway Over Bridge (ROB) with approaches near Nashirabad village at km. 415/800 of Dhule -Nagpur Road, NH-6 in lieu of level railway crossing at k.m. 433/17-19 and strengthening of road from k.m. 414/00 to 419/00 of the NH-4 under BOT with toll rights. The Company has claimed a total amount of Rs. 31.22 million plus interest thereon and delayed period time extentsion of thirteen months and seventeen days. The matter is currently pending.

5. The Company has initiated arbitration proceedings against PWD, Miraj, Government of Maharashtra, before an arbitration tribunal in Pune. The proceedings have been initiated in relation

to a contract between the parties pertaining to construction of a major bridge and its approaches across river Krishna at Sheri Nalla on BOT basis. The Company is claiming extra items amounting to Rs. 29.20 million plus interest (35 years).The respondent has appeared, filed its reply and raised counter claim. The Company has filed a rejoinder. The award has been declared by the tribunal, whereby it has granted 33 years as concession period against an award of Rs. 12 million. Furthermore, the counter claim has been rejected by the tribunal. The award was received by the respondent on August 10, 2007. The Company will have to wait for 3 months and 30 days i.e. up to December 10, 2007 before initiating execution proceedings. PWD has challenged the award before the District Court, Sangli under section 34, Arbitration and Conciliation Act, 1996. The matter is currently pending.

6. The Company has initiated arbitration proceedings against PWD, Miraj, Government of Maharashtra before an arbitration tribunal in Pune. It relates to a contract pertaining to the construction of a major bridge and its approaches across river Krishna at Sheri Nalla on BOT basis. The Company is claiming extra items amounting to Rs. 10.15 million plus interest and 148 days. The matter is currently pending.

7. The Company and Birla GTM Entrepose Limited have initiated arbitration proceedings against NHAI before an arbitration tribunal in Delhi. It relates to a contract between the parties for widening of 4 lanes and strengthening of the existing 2 lane carriageway of westerly diversion (km 0.00 to km 34.250) on NH 4, outside Pune, Maharashtra. The Company is claiming an amount of Rs. 398.48 million plus interest. The matter is currently pending.

8. The Company in joint venture with Bhagiratha Engineering Limited, Kochi has initiated arbitration proceedings against Government of Mizoram before an arbitration tribunal in Guwahati. It relates to a contract between the parties for Improvement and up gradation of Mizoram state roads project phase-I. The Company has set forth various claims which include wrongful termination, damages therefor and additional cost anticipated by the Government of Mizoram on withdrawal of contract. The matter is currently pending.

9. The Company has filed a suit in the Bombay High Court, Mumbai for damages against the encashment of bank guarantee and illegal termination of contract. The Company has also filed an application under section 11 of the Arbitration and Conciliation Act, for appointment of arbitrator, before the Bombay High Court, Mumbai, regarding the non-grant of full relief for the amount of Rs. 25.20 million plus interest. The amount relates to a contract for collection of toll on Daund Patas Road, SH 67 near Daund Rail Over Bridge, District Pune and near Bhima Bridge in District Nagar. The matter is currently pending.

10. The Company is an approved sub-contractor of IRCON Limited for the contract awarded by M.S.R.D.C. The settlement committee of the M.S. R.D.C granted claims to the tune of Rs. 6.80 million, Rs. 3.48 million and Rs. 11.41 million against claims of Rs. 86.34 million plus interest, Rs. 18.80 million plus interest and Rs. 36.71 million interest respectively. The Company has approached the Bombay High Court for the appointment of an arbitrator under section 11 of the Arbitration and Conciliation Act. The matter is currently pending

Contingent Liability

The following table sets forth the principal components of our contingent liabilities as of September 30, 2007

Contingent Liabilities	**As on September 30, 2007 (Rs. In millions)**
Bank Guarantees and Letters of Credit issued by bankers in favour of third parties	1,037.85
Corporate Guarantee issued by the Company in favour of Banks/ Financial Institutions for finance raised by Companies under the same management	842.75
Claims / Dispute against the Company not	9.37

acknowledged as debts.	
Disputed tax demands (net of taxes paid)	3.94

Litigation involving Subsidiaries

Ashoka Infrastructure Private Limited

1. A writ petition has been filed in the Mumbai High Court by Nagar Road Industries Chamber of Commerce and Agriculture (the "Petitioners") against the state of Maharashtra; the Secretary PWD (Roads); Chief Engineer PWD, Pune division; Superintending Engineer, public works circle Solapur; Executive Engineer, PWD Akluj and Ashoka Infrastructure Limited (the "Respondents"). Ashoka Infrastructure Limited (AIL) had undertaken the work of four-laning and strengthening of Pune - Ahmednagar Road state highway no.60, Km. 10/600 to 64/000 on BOT basis. On completion of the said road, AIL started the collection of toll in accordance with notification dated July 5, 2005. It is the grievance of the Petitioners that the state of Maharashtra has not granted any concession to the vehicles which frequently use the said road. Further, the Petitioners have stated that since they are using only a part of the road, they should not be charged toll tax for the entire stretch of the road, but in proportion to the length of the road used by them. The Petitioners have, therefore, prayed for quashing and setting aside of the notification dated July 5, 2005, declaration that the toll charges fixed by the government as per the notification dated July 5, 2005 are discriminatory and directions to the Respondents for making monthly pass available to the frequent and multiple users of the said road. The Petitioners have further prayed that the Respondents be directed to provide a third lane at the tollbooths and have also sought an interim injunction against the Respondents to prevent them from charging toll from the members of the Petitioners. The matter is currently pending and no interim relief has been granted to the Petitioners.

2. Ashoka Infrastructure Private Limited (AIPL) has initiated arbitration proceedings against PWD, Pune, Government of Maharashtra before an Arbitration Tribunal in Pune. The proceedings have arisen in relation to a contract between the parties regarding the four laning and strengthening of Pune-Ahmednagar Road SH-60 (km 10/600 to 64/000), with private finance and toll rights on BOT basis. AIL is claiming an amount of Rs. 195.30 million plus interest. The claims are under consideration with the Government of Maharashtra, which has cancelled the arbitration and is reconsidering the claims.

3. A criminal complaint has been filed by Ashoka Infrastructure Limited, before the Judicial Magistrate, Shirur, against Mr. Santosh Lande (the "Defendant"). The Defendant is alleged to have refused to pay the requisite toll, physically assaulted an employee and abused the personnel at the toll booth at the Ranjangaon Toll plaza on Pune–Shirur Road operated by Ashoka Infrastructure Limited. The complaint is currently pending.

4. A criminal complaint has been filed by Ashoka Infrastructure Limited, before the Judicial Magistrate, Pune, against Mr. Anil Chondhe and some others (the "Defendants"). Ashoka Infrastructure Limited alleges that its employees were severely beaten by the defendant and others and that the defendant and others refused to pay toll at the toll booth on the Pune-Ahmednagar road which is being operated by Ashoka Infrastructure Limited. The complaint is currently pending.

5. Ashoka Infrastructure Limited has filed a criminal case against Shri Consultancy and Services and its proprietor, Mr. Sanjay Malik, under section 138 of Negotiable Instruments Act for dishonour of a cheque of Rs.0.07 million drawn in its favour. The complaint is currently pending.

Contingent Liability: Nil

Viva Highways Private Limited

1. Sanjay Prasad and others (the "Plaintiffs") have filed a suit against Viva Highways Private Limited ("VHPL"), the State of Madhya Pradesh and others in the Court of 2nd Civil Judge, Class II, Mhow, Indore. Under the concession agreement with State of Madhya Pradesh in respect of the Indore-Edalabad highway project which was awarded to VHPL, the latter was permitted by the State of Madhya Pradesh to erect a toll booth to collect and retain toll tax from vehicles using the highway. To prevent the leakage in the collection of toll, VHPL contends that the State of Madhya Pradesh permitted the construction of a check post by VHPL. Plaintiffs filed suit against the erection of toll booth and the check post as a public nuisance on the ground that the vehicles were being taxed twice, both at the toll booth and the check post. Plaintiffs have prayed for an injunction to prevent the collection of toll. Due to the public character of the dispute, VHPL challenged the jurisdiction of the court at Mhow on the ground that the case was an instance of public interest litigation and should, therefore, be filed before the High Court. The court dismissed VHPL's contentions holding that it had jurisdiction in the case of a public nuisance and also dismissed a revision petition filed by VHPL. VHPL has filed a civil revision suit in the High Court of Madhya Pradesh, Indore Bench. VHPL has filed this application for rejection of plaint in civil suit (no. 148-A/2004) against Sanjay Prasad and others in the court of 2nd Civil Judge, Class II, Mhow, which was dismissed by the court. The matter is currently pending.

Contingent Liability:

Contingent Liabilities	**As on September 30, 2007 (Rs. In millions)**
Bank Guarantees and Letters of Credit issued by bankers in favour of third parties	12.00

Ashoka Infraways Private Limited

1. A writ petition has been filed by Ashoka Infraways Private Limited, in the Madhya Pradesh High Court at Indore against the order of the Assistant Commissioner, Commercial Tax, Division 3, Indore. The aggregate amount involved is Rs. 0.32 million. The petition is currently pending.
2. A revision has been filed before the Additional Commissioner Commercial Tax (Revision), Indore, against the the Assistant Commissioner, Commercial Tax, Division 3, Indore, by Ashoka Infraways Provate Limited. The aggregate amount involved is Rs. 5.2 million. The revision is currently pending.

Contingent Liability: Nil

Contingent Liabilities	**As on September 30, 2007 (Rs. In millions)**
Bank Guarantees and Letters of Credit issued by bankers in favour of third parties	3.40
Claims / Dispute against the Company not acknowledged as debts	8.70

Ashoka-DSC Katni Bypass Road Private Limited

Outstanding Litigation: Nil

Contingent Liability: Nil

Ashoka Highways (Bhandara) Limited

Outstanding Litigation: Nil

Contingent Liability: Nil

Ashoka Highways (Durg) Limited

Outstanding Litigation: Nil

Contingent Liability: Nil

Litigation involving Associate Companies

Viva Infrastructure Private Limited

Outstanding Litigation: Nil

Contingent Liability: Nil

Litigation involving Partnership Firms

Ashoka Highway-Ad

Outstanding Litigation: Nil

Contingent Liability: Nil

Ashoka Infrastructures

1. Ashoka Infrastructures had initiated arbitration proceedings against the decision of PWD, Dhule, Government of Maharashtra reducing the concession period by 228 days on account of change in lending rates. It related to the contract for construction of diversion outside Dhule-Town (B.O.T.). The arbitral tribunal rejected the government's action. The award has neither been implemented nor challenged by the government and has now become a Decree. The execution proceedings are yet to be filed in the District court.

Contingent Liability: Nil

Litigation involving Promoters

1. Mr. Aditya Satish Parakh (the "Plaintiff") has filed a special civil suit, in the Court of Civil Judge (Senior Division), Nashik, seeking permanent injunction and for the specific performance of agreement of sale entered into between Mr. Raghunath Bansilal Malpani (the "Defendant") and the Plaintiff. The Plaintiff has claimed that the Defendant entered into an agreement of sale dated May 21, 2005 with the Plaintiff for the sale of land bearing block no. 199 area H.00: 86R of Igatpuri. The Plaintiff has, further, claimed that he had given Rs. 0.005 million as earnest money to the Defendant and that the balance amount was was payable on the execution of the sale deed of the said land. The Plaintiff has also filed an application for interim injunction seeking that the Defendant be restrained from creating any third party interest on the suit property. The court has granted an ad-interim injunction and the suit is currently pending.

For details regarding litigation involving Mr.Ashok M. Katariya and Mr. Satish D. Parakh, please refer to section titled, "Litigation involving Directors" on page 277 of this Draft Red Herring Prospectus.

Ashoka Bitucon Exim Private Limited

Outstanding Litigation: Nil

Contingent Liability: Nil

Litigation involving Promoter Group

Litigation by Mrs Hema Katariya

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik against Mr. Ashok Katariya, Mrs. Asha Katariya, Mr. Sunil B. Raisoni, Mr. Satish D. Parakh and others including certain promoter group companies. Hema Katariya has stated that she is a partner of Ashoka Builders. She has further alleged that she is not allowed active participation in the firm and consequently intends to retire from it. She also wants to dissolve the firm and liquidate her share (10%) in the firm. She has, further, alleged that Mr. Satish Parakh and other partners have diverted the funds of the partnership firm and

incorporated 35 separate private limited companies and partnership firms. She has, therefore, claimed a share in the net assets of the said firms and companies. The matter is currently pending.

Ashoka Buildwell and Developers Private Limited

1. Ashoka Buildwell and Developers Private Limited had filed a criminal complaint against the directors of Vadilal Dairy International Limited ("VDIL") under section 420 of the Indian Penal Code before the Judicial Magistrate, Class I, Nashik. Ashoka Buildwell and Developers Private Limited has alleged that VDIL, who had contracted to provide management and supervisory services, did not do so despite having charged fees for the same.

   Subsequently, VDIL filed a criminal complaint, against Ashok Buildwell and Developers Private Limited, and 2 of its Directors (Ashok Katariya and Satish Parakh) under section 420 of the Indian Penal Code, in the Court of the Judicial Magistrate, Andheri, Mumbai. The Complainant has alleged that the directors of the company have cheated the Complainant by not paying charges for management services provided by the Complainant. The amount claimed by the Complainant aggregates approximately to Rs. 1.38 million.

   The complaints are currently pending.

2. Ashoka Buildwell and Developers Private Limited has filed a suit (special civil suit no. 347/1998) against Mr. Deepak Katariya and others, in the court of Civil Judge, Senior Division, Nasik for defamation and has inter alia pleaded for compensation aggregating approximately to Rs. 0.6 million. The matter is currently pending.

3. Ashoka Buildwell and Developers Private Limited has filed a Criminal Complaint (no. 94/1998) against Mr. Deepak M. Katariya and others in the court of Judicial Magistrate First Class, Nasik alleging defamation and cheating . The matter is currently pending.

4. Mr. Deepak Katariya ("Appellant") has filed three appeals (Civil Appeal Nos. 99/2005, 100/2005 and 101/2005), against the Ashoka Group, Ashoka Builders and Ashoka Buildwell and Developers Private Limited, in the court of Additional District Judge, Nasik. The Appellant has filed these appeals against the orders passed by the Civil Judge, Junior Division in three regular civil suits (suit no. 349/98, 355/98 and 398/98) filed by Ashoka Group, Ashoka Builders and Ashoka Buildwell and Developers Private Limited against Mr. Deepak Katariya and others. The appeals are currently pending.

5. Mr. Deepak Katariya (the "Plaintiff") has filed a suit (Regular Civil Suit No. 41/2006), against Ashoka Buildwell and Developers Private Limited and others (the "Defendants"), in the court of the Civil Judge, Senior Division, Nashik. The Plaintiff filed an application for temporary injunction against the Defendants from obstructing the Plaintiff's possession over Flat No.1, Building No.1 in Ashoka Presidency. Earlier, Daya Subhas Ghuge and others (**the "Complainants")** had filed a consumer complaint (Consumer Complaint 375 / 1999) against Ashoka Buildwell & Developers Private Limited and the Plaintiff in which it was decided that Ashoka Buildwell & Developers Private Limited and the Plaintiff should deliver possession of the above flat to the Complainants or refund the amount received from them with 18 per cent interest. This order was challenged before State Consumer Forum (First Appeal 1576 / 2005). During the pendency of that appeal, the Complainants filed an application to remove the Plaintiff's name from the First Appeal and the First Appeal was accordingly disposed off. In spite of this, the Plaintiff had received a notice to deliver vacant possession of the suit flat. The Civil Judge, Senior Division rejected the Plaintiff's application for interim injunction. The Plaintiff has filed an appeal (no.37/2006) challenging the interim order passed by the Civil Judge Senior Division, Nasik. The matter is currently pending.

6. Mr. Deepak Katariya has filed a criminal revision suit (Criminal Revision No. 410/2004) against Ashoka Buildwell and Developers Private Limited, and others in the court of the Sessions Judge, Nasik. The criminal revision suit has been filed against an order passed by the lower court with regard to properties being returned to Ashoka Buildwell and Developers Private Limited. The matter is currently pending.

7. Mr. Deepak Katariya has filed an appeal (Appeal No. 631/2003) against Ashoka Buildwell and Developers Private Limited in the State Consumer Forum, Mumbai. This appeal has been filed against the order passed by the District Consumer Redressal Forum, Nashik in Consumer Complaint No. 15/2001. The District Consumer Forum ordered that the possession of flat should be handed over to Mr. Yogesh Madhrele; nominee of the government. The matter is currently pending.

8. Ashoka Buildwell & Developers Private Limited has filed a criminal complaint (no.180/98) under section 406 of the IPC, in the court of Judicial Magistrate, Class I, Nasik, against M/s. Dx-Deepsons for breach of trust. Ashoka Buildwell & Developers Private Limited has alleged that Mr. Deepak Katariya, ex-director of the company, took possession of the shops and agreed to sell them to M/s Dx-Deepsons, in which he is a partner, without the knowledge of the Ashoka Buildwell & Developers Private Limited and without making the full payment before taking possession of the shops. The complaint is currently pending.

9. Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya"

Contingent Liability: Nil

Ashoka Construwell Private Limited

1. 7 cases have been filed against Ashoka Construwell Private Limited in relation to motor accident claims. The amounts involved in these claims aggregate approximately Rs. 2.5 million. The matters are currently pending.

2. A summary suit has been filed by Ashoka Construwell Private Limited, against Pinnacle Developers Private Limited, in the court of Civil Judge, Nasik for recovery of an amount aggregating to approximately Rs. 0.18 million, as payment for centering and shuttering material rented to Pinnacle Developers Private Limited. The matter is currently pending.

3. A criminal case has been filed by Ashoka Construwell Private Limited under section 138 of the Negotiable Instruments Act against Pinnacle Developers Private Limited before the Judicial Magistrate, Nashik for dishonour of cheques amounting to Rs. 0.2 million drawn by Pinnacle Developers Private Limited. The case is currently pending.

4. Ashoka Construwell Private Limited has filed a criminal case, against M/s Sonu Constructions (the "Respondent"), under Section 138 of Negotiable Instruments Act before the Judicial Magistrate, Nasik for the dishonour of a cheque of Rs. 0.179 million drawn by the Respondent. The case is currently pending.

5. Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya"

Ashoka Promoters Private Limited

1. Rafiq Memon has filed a suit against Ashoka Promoters Private Limited and others in the court of Civil Judge Senior Division, Nashik. The suit is for specific performance with an alternate relief for compensation of an amount aggregating approximately to Rs. 3.51 million with respect to land situated at Sinnar, Nasik. The suit is currently pending.

2. Lahanu Pawar has filed a suit against Ashoka Promoters Private Limited and others in the court of Civil Judge Senior Division, Nasik. The suit is for specific performance with an alternate relief aggregating approximately to Rs. 0.36 million in respect of land situated at Sinnar, Nasik. The Court has rejected the application filed by Ashoka Promoters Private Limited under section 9A of Civil Procedure Code. A civil revision application filed by Ashoka Promoters Private Limited against that order in the High Court of Bombay was also dismissed. Ashoka Promoters Private Limited has filed a review petition in the High Court of Bombay, which is currently pending. The

Bombay High Court has stayed the proceeding till the applicability of Section 9A, CPC is decided. The matter is currently pending.

3. Badruddin Kazi and others (the "Plaintiffs") have filed a suit against Ashoka Promoters Private Limited, Ashoka Premises Private Limited and Ashoka Nirmiti Private Limited (**the "Defendants"**) and others in the court of Civil Judge Senior Division, Nasik. The Plaintiffs claim that they are the owners of land situated at Sinnar, Nasik at New Survey Nos. 935-937 admeasuring 98 acres and 14 guntas (**the "suit property"**) which certain persons have illegally transferred to the Defendants. The Plaintiffs have prayed that the allegedly illegal transfers in respect of the suit property be set aside and that Defendants be restrained by way of perpetual injunction from carrying out any construction activity on the suit property. The Plaintiffs have also asked for partition of property vis-à-vis certain persons, also parties to the suit. In the alternative, the Plaintiffs have asked for a compensation of Rs. 100 million along with interest of 18% per annum. The suit is currently pending.

4. Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya"

Ashoka Builders (Nasik) Private Limited

1. Mr. Dinkar Bhujwal (**the "Plaintiff"**) has filed a suit (Civil suit No.117/2004) against Ashoka Builders (Nasik) Private Limited in the Court of Civil Judge, Junior Division, Ghodnadi. The Plaintiff is allegedly aggrieved that Ashoka Builders (Nasik) Private Limited has constructed a road on his land. The Plaintiff has, among other things, pleaded for a mandatory injunction to stop construction. Ashoka Builders (Nashik) Private Limited has alleged that the Plaintiff did not obey the building norms himself and has come to court with unclean hands. The suit is currently pending.

2. A criminal complaint had been filed by Mr. Pratap Kesharchand Doshi, against M/s. Ashoka Builders (Nasik) Private Limited, Mr. Ashok M. Katariya, Mr. Sunil B. Raisoni and others, in the court of Judicial Magistrate First Class, Baramati under section 138 of Negotiable Instrument Act. The complaint pertains to the dishonour of cheques amounting to Rs. 0.79 million. Mr. Ashok Motilal Katariya had filed revision against the issuance of process. The said revision was allowed and the Sessions Court, Baramati, quashed the process issued against Mr. Ashok Motilal Katariya. Mr. P. Doshi has filed a criminal revision petition, in the Bombay High Court, Mumbai, challenging the order of the Sessions Court. The revision petition is currently pending.

3. Ashoka Builders (Nasik) Private Limited has filed a case at the Employees State Insurance Corporation Court, Pune against the Employees State Insurance authorities for recovery of an amount aggregating to approximately Rs. 0.1 million. An inspection had been initially carried out by the Employees State Insurance authorities and pursuant to the examination, Ashoka Builders (Nasik) Private Limited had paid the arrears with interest. Subsequently a re-examination was carried out which led to additional imposition of additional contribution towards the Employees State Insurance fund. Ashoka Builders (Nasik) Private Limited alleges that the re-examination was unlawful and the money was paid under duress and threat of its bank account being attached. The matter is currentlypending.

4. Ashoka Builders (Nashik) Private Limited has filed a case under Section 138 of Negotiable Instruments Act against Mr. Prakash Salunke before the Judicial Magistrate, Pune, for dishonour of a cheque amounting to Rs.0.319 million. The case is currently pending.

5. Ashoka Builders (Nashik) Private Limited has filed a case under Section 138 of Negotiable Instruments Act against Sharda Iron Steel and Mr. R.K. Jha before the Judicial Magistrate, Pune for dishonour of three cheques aggregating to Rs. 0.49 million. The case is currently pending.

6. Ashoka Builders (Nashik) Private Limited has filed a case under Section 138 of Negotiable Instruments Act against M/s Vibration Controllers and Mr. Milind Ruikar for dishonour of nine cheques aggregating Rs. 0.039 million. The case is currently pending.

7. Mr. Shivkailashram Devnandanram Chouhan has filed a claim against Ashoka Builders (Nashik) Private Limited and New India Assurance Co. before the Motor Accidents Claims Tribunal, Pune.

The claimant has prayed for compensation of Rs.0.5 million regarding the death of a cleaner of a vehicle owned by Ashoka Builders (Nashik) Private Limited, which was insured by New India Assurance Co. the claim is currently pending.

8. Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Jayaswals Ashoka Infrastructure Limited

1. Jayaswals Ashoka Infrastructure Private Limited ("JAIPL")along with Ashoka Vastu Private Limited (now merged with the Company) (the "Plaintiffs") has filed a suit against United India Insurance Company Limited and Standered Surveyors Private Limited before the Civil Judge Senior Division, Bhandara for an insurance claim aggregating approximately to Rs. 1.45 million and interest. Due to loss of centering and shuttering material which was washed away because of a flash flood in Wainganga; river Ashoka Vastu Private Limited and JAIPL had made the insurance claim. The claim was rejected by the insurance company pursuant to the surveyor's report which stated that the damage was due to the willful negligence of the Plaintiffs. In the civil suit, damages of Rs. 2.27 million at 15 per cent per annum have been claimed by the Plaintiffs. The claim is currently pending.

2. Mr. Ramkrishna M. Tijare (the "Plaintiff) has filed a claim against Jayaswals Ashoka Infrastructure Private Limited before the Labour Court, Bhandara. The Plaintiff has alleged that his son was working on a construction site at the Wainganga Bridge where he drowned. The Plaintiff has claimed a sum of Rs. 0.114 million. Jayaswals Ashoka Infrastructure Private Limited has contended that the claim was time barred. Further, Jayaswals Ashoka Infrastructure Private Limited denies that the deceased was its employee who died while working at the project site. The claim is currently pending.

3. Jayaswals Ashoka Infrastructure Private Limited has filed a writ petition in the Bombay High Court, Nagpur Bench against the order of the Inspector General of Revenue Stamps, Pune for the payment of arrears of stamp duty. The stamp duty arrears had arisen in relation to the contract for construction of bridge and its approaches across Wainganga river in Km. 491/00 of Nagpur-Raipur road section of NH6 in District Bhandara (BOT Project). The amount involved is Rs. 78.4 million plus penalty. The writ petition has been admitted on the condition that security of an amount equivalent to the deficit in stamp duty be furnished by the Company within 10 weeks from December 7, 2007. The petition is currently pending.

4. Jayaswals Ashoka Infrastructure Private Limited has filed an appeal in the High Court, Nagpur under section 37 of the Arbitration and Conciliation Act challenging the judgment of District Court, Nagpur. The District Court, Nagpur had rejected the majority award and accepted the minority award for an amount of Rs. 25.3 million plus interest against United India Assurance Company, towards damages for collapse of span of the bridge during construction. The High Court has allowed Rs. 17.06 million against bank guarantee deposited by United India Insurance Company. The appeal is currently pending.

Contingent Liability: Nil

Ashoka City Towers Constructions Private Limited

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Deserts and Developers Private Limited

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Erectors Private Limited

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Hotel Evening Inn Private Limited

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Housing Constructions Private Limited

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Nimiti Private Limited

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Premises Private Limited

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Shilp Akruti Private Limited

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Vastu Akruti Private Limited

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Vastukala Nirman Private Limited

Outstanding Litigation: Nil

Contingent Liability: Nil

A-1 Tiles Private Limited

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Bitucon International Private Limited

1. Assistant Commissioner of Income Tax, Nasik Circle had issued an Assessment Order to Ashoka Bitucon International Private Limited (the "Assessee") for the assessment year 2000-01. The order pertains to disallowance business loss due to cancellation of tender. The Assessee had filed an appeal against the said assessment order before the CIT (Appeals), Nasik, which was decided in favour of the Assessee. The Income Tax Department has preferred an appeal against the order of

CIT (Appeals, Nasik) before the Income Tax Appellate Tribunal, Pune and the matter is currently pending.

Contingent Liability: Nil

Ashoka Path Nirman (Nasik) Private Limited

Outstanding Litigation: Nil

Contingent Liability: Nil

Viva Infrastructure Private Limited

Outstanding Litigation: Nil

Contingent Liability: Nil

Ashoka Vanrai Developments Private Limited

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Universal Academy Private Limited

Outstanding Litigation: Nil

Contingent Liability: Nil

Ashoka Bridgeways

1. Mr. Santosh Moghe (the "Plaintiff") has filed a suit against the Ashoka Group and Ashoka Bridgeways in the Labour Court, Solapur, praying for reinstatement into service with back wages from February 7, 2005. Ashoka Bridgeways alleges that Plaintiff and some twenty of his colleagues regularly issued false toll receipts to vehicles at a toll booth and misappropriated the proceeds. The amount claimed by the Plaintiff aggregates approximately to Rs. 0.07 million. The suit is currently pending.

2. PWD, Akluj (Pandharpur), Government of Maharashtra has challenged two awards, in the Court of Additional District Judge, Solapur. The awards relate to the contract for construction of bridge across Mandve - Nallah on Mahad-Pandharpur road, SH-70 (at k.m. 179/600) under B.O.T- (Reference I and II). The award in respect of reference I pertains to damages for diversion of traffic, transporter's strike and premature withdrawal of facility. The award in respect of reference II pertains to counter claim by PWD towards encashment of bank guarantee and non-laying of asphalt coat. Ashoka Bridgeways is defending the award amounting to Rs. 1.6 million plus interest and rejection of counter claim. The cases are currently pending.

Contingent Liability: Nil

Ashoka Engineering Company

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Shubham Developers

Outstanding Litigation: Nil

Contingent Liability: Nil

A.P. Equipments

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Con Creations

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Builders and Developers

1. Assistant Commissioner of Income Tax, Nasik Circle had issued an Assessment Order to Ashoka Builders and Developers (the "Assessee") for the assessment year 2000-01. The order pertains to to set off of losses due to change in status as the firm was assessed as an AOP. The Assessee had filed an appeal against the said assessment order before the CIT (Appeals), Nasik, which was decided in favour of the Assessee. The Income Tax Department has preferred an appeal against the order of CIT (Appeals, Nasik) before the Income Tax Appellate Tribunal, Pune and the matter is currently pending.
2. Ashoka Builders and Developers has filed an appeal (Appeal No. 1174/2006), against an order of the District Consumer Forum, in the State Consumer Disputes Redressal Commission, Mumbai. Maruti Gavand has also filed an appeal (Appeal No. 1268/2006) in the State Consumer Disputes Redressal Commission, Mumbai. These appeals relate to execution of agreement of sale for a flat to Maruti Gavand by Ashoka Builders and Developers. The matters have been decided and the State Disputes Redressal Commission, Mumbai has ordered that an amount of Rs. 0.077 million be paid to Mr. Maruti Gavand. Ashoka Builders and Developers have preferred second appeal before the National Consumer Disputes Redressal Commission, which has admitted the matter and stayed the order of the State Disputes Redressal Commission. The matter is currently pending..

Ashoka E-Tech

Outstanding Litigation: Nil

Contingent Liability: Nil

Ashoka Lawns

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Lots-n-Lands

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

Ashoka Vastuvaibhav

Outstanding Litigation: Nil

Contingent Liability: Nil

Ashoka Township

Outstanding Litigation: Nil

Contingent Liability: Nil

Shweta Agro

Hema Katariya has filed a suit (451/2007) in the court of the Civil Judge, Senior Division, Nasik. For further details please see the paragraph above titled "Litigation by Mrs. Hema Katariya".

Contingent Liability: Nil

GOVERNMENT APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the government and various governmental agencies required for our present business and except as mentioned below, no further approvals are required for carrying on our present business.

Approvals for the Issue

1. In-principle approval from the National Stock Exchange dated [●];

2. In-principle approval from the Bombay Stock Exchange dated [●].

Approvals to carry on our Business

The Company requires various approvals for it to carry on its business in India. Certain approvals have elapsed in their normal course and the Company has either made an application to the approporiate authorities for renewal of such licences and/or approvals or is in the process of making such applications. The approvals that the Company requires include the following:

Name of the Licensing/ Registration Authority	**Number and Date of Registration/License**	**Validity Period**		**Purpose**
		From	**To**	
Assistant Labour Commissioner	753/IND/2004-33113, dated March 4, 2005	March 4, 2005	December 31, 2007	Contract labour license for the Nandanagar project under Section 12(2) of the Contract Labour (Regulation) Act
Assistant Labour Commissioner	230/KATANI/CL/2004-14942, dated December 26, 2004	December 26, 2004	December 31, 2007	Contract labour license for the Katni Bypass project under Section 12(2) of the Contract Labour (Regulation) Act
Assistant Labour Commissioner	080/2004-05 dated April 4, 2006	April 4, 2006	December 31, 2007	Contract labour license for the LBS Marg project under Section 12(2) of the Contract Labour (Regulation) Act
Assistant Labour Commissioner	033/04-05, dated February 25, 2005	December 31, 2004	December 31, 2007	Contract labour license for the LBS Marg project under

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period		Purpose
		From	To	
				Section 12(2) of the Contract Labour (Regulation) Act
Assistant Labour Commissioner	AYXI/06-07, dated May 9, 2007	December 31, 2004	December 31, 2007	Contract labour license for the Ahmednagar – Aurangabad project under Section 12(2) of the Contract Labour (Regulation) Act
Assistant Labour Commissioner	Chc/93/05-06	August 31, 2005	August 31, 2008	Contract labour license for the Chittorgarh project under Section 12(2) of the Contract Labour (Regulation) Act
Assistant Labour Commissioner	193/2005	November 11, 2005	December 31, 2007	An application has been made for renewal of contract labour license for the Surat project
Assistant Labour Commissioner	CL\GOA\2169 dated October 29, 2007	October 29, 2007	December 31, 2008	Contract labour license for the Cipla project under Section 12(2) of the Contract Labour (Regulation) Act
Assistant Labour Commissioner	CL\GOA\2170 dated October 29, 2007	October 29, 2007	December 31, 2008	Contract labour license for the Meditab project under Section 12(2) of the Contract Labour (Regulation) Act
Assistant Labour Commissioner	CLE\ISMW\(GOA-302)/2007 dated November 2, 2007	November 2, 2007	October 7, 2008	Migration Certificate under the provisions of Inter State

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period		Purpose
		From	To	
				Migrant Workman Act, 1979
Assistant Labour Commissioner	CLE\ISMW\(GOA-303)/2007 dated November 2, 2007	November 2, 2007	October 7, 2008	Migration Certificate under the provisions of Inter State Migrant Workman Act, 1979
Joint Director Safety and Health Chief Inspector of Factories	162/1298/IND/2004, dated February 5, 2007	January 1, 2006	December 31, 2007	License under the Factories Act for the RMC plant at Musakhedi
Joint Director Safety and Health	Dish/LIC/2025/06-07 dated April 12, 2007	January 16, 2007	December 31, 2007	License under the Factories Act for the RMC plant at Nashik
Joint Director Safety and Health	37\06\DDJ\3502 dated February 28, 2006	February 28, 2006	December 31,2007	License under the Factories Act for the RMC plant at Mumbai
Joint Director Safety and Health	29542\8195\su-108418	January 3, 2005	December 31,2007	License under the Factories Act for the RMC plant at Surat
Assistant Provident Fund Commissioner	MH/50403, dated January 31, 1993	January 1, 1993	N.A.	Registration under Section 1(3) (a) of the Employees Provident Fund and Miscellaneous Provisions Act as a building constructions industry
Assistant Provident Fund Commissioner	52401/SROIMSK/425	July 1, 2003	N.A.	Registration under Section 1(3) (b) of the Employees Provident Fund and Miscellaneous Provisions Act as a building

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period		Purpose
		From	To	
				constructions industry
Director, Employees State Insurance Corporation	28301/33944/101, dated January 8, 2002	January 8, 2002	N.A.	Notice of application of the Employees State Insurance Corporation Act
Inspector, Nasik	Dii/2/80	January 1, 2007	For the year 2007	Registration certificate of establishment under the Bombay Shops and Establishment Act for the Company's office at Mumbai
General Manager, District Industrial Centre, Nashik	Dated December 26, 2006	December 26, 2006	N.A.	For the Gangapur RMC plant Registration required for all new industries being established and to enable the obtaining of other clearances such as environmental and factory licenses
Inspector under Shops and Establishment Act	Section 2/857	January 1, 2004	December 12, 2007	Registration under the Shops and Establishment Act
Inspector under Shops and Establishments Act	Section 2/1867	January 1, 2005	December 12, 2007	Registration under the Shops and Establishment Act
Joint Director of Health & Safety	29542/8195/su-018418	January 3, 2005	January 31, 2007	Application for renewal under Factories Act
Collector, Ahmednagar	Minor Mineral/D4/1072/06	November 1, 2006	October 30, 2008	Quarry lease for minor mineral extraction for the Ahmednagar

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period		Purpose
		From	To	
				– Aurangabad project
Regional Officer, Maharashtra Pollution Control Board	MPCB/RONK/CEA-210/620505, dated November 11, 2005	November 11, 2005	November 10, 2011	Consent to establish a hot mix unit at Ahmednagar under Section 25 of the Water Act, Section 21 of the Air Act and Rule 5 of the Hazardous Wastes Rules
Regional Officer, Maharashtra Pollution Control Board	RONK-116-3642 dated August 8, 2007	August 8, 2007	September 30, 2009	RMC Nashik
District Magistrate, Gondia	AK/Mag/WS/1421/07, dated January 19, 2007	July 01, 2007	January 18, 2008	No objection to grant of license for the possession of explosives for the Durg Bypass project
District Magistrate	50/Sr No/5486 dated July 5, 2007	July 5, 2007	July 4, 2008	No objection to grant of license for the possession of explosives for the Durg Bypass project
Regional Officer, Nagpur, Maharashtra Pollution Control Board	Consent No.NRO/Bhandara/E-25/1998/2-CCI/712007, dated January 25, 2007	January 30, 2007	October 31, 2009	Consent to operate till January 31, 2009 under Section 26 of the Water Act, Section 21 of the Air Act and Rule 5 of the Hazardous Wastes Rules for the Bhandara project
Additional District Magistrate, Bhandara	JC/Mag.II/WS/2085/2006, dated December 21, 2006	December 21, 2006	December 20, 2007	No objection to grant of license for the possession of explosives for the Bhandara project

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period		Purpose
		From	To	
Additional District Magistrate, Bhandara	JC/Mag.II/WS/14/2007, dated January 14 , 2007	January 14, 2007	January 13, 2008	No objection to grant of license for the possession of explosives for the Bhandara project
Regional Officer, Rajasthan State Pollution Control Board	RPCB\RO\BHL\CTG\A.31/2565 dated October 19, 2005.	October 19, 2005	September 30, 2006	Consent to operate under Section 21(4) of the Air Act
Assistant Provident Fund Commissioner	MH/ 22494	NA	NA	Registration under the Employees Provident Fund and Miscellaneous Provisions Act
Regional Officer, Gujarat Pollution Control Board	GPCB\RO\SRT\1542\2005 dated February 10, 2005	February 10, 2005	December 17, 2009	No Objection under the Air, Water and Environment Act for the establishment of an industrial plant at Surat for the manufacture of concrete
Regional Officer, Gujarat Pollution Control Board	GPCB\ RO/\SRT-G78/\2\10\2005, dated November 19, 2005	November 19, 2005	December 17, 2009	No Objection under the Air, Water and Environment Act for the establishment of an industrial plant at Surat for the manufacture of concrete
Regional Officer, Maharashtra Pollution Control Board	ROM-182 CC 74 dated January 12, 2006	January 12, 2006	Valid up to January 31, 2008	Consent to operate under Section 26 of the Water Act, Section 21 of the Air Act and Rule 5 of the Hazardous Wastes Rules for MMRDA Wadala Truck Terminals

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period		Purpose
		From	To	
Regional Officer, Maharashtra Pollution Control Board	ROP/E-25/CC/UB/PUNE/1850/1041/05 dated January 31, 2005	January 31, 2005	January 31, 2009	Consent to operate under Section 26 of the Water Act, Section 21 of the Air Act and Rule 5 of the Hazardous Wastes Rules for Bitumen Plant at Pune
Regional Officer, Maharashtra Pollution Control Board	12310\PCB\TS\JBP\2007 dated March 12, 2007	March 11, 2008	Valid for a year from 1st day of month of commission -ing the plant	Consent under Section 21 of Air Act for production of hot mix bitumen gittti and establishment and operation of industry at Katni
Additional Director, Ministry of Environment and Forests, Government of India	No.5-18/2007-IA-III, dated June 11, 2007	N.A.	N.A.	Environmental Clearance for Wainganga Bridge section of Durg Bypass
Additional Director, Ministry of Environment and Forests, Government of India	11013/12K/Env/402 dated June 11, 2007	June 11, 2007	June 10, 2008	Environmental clearance for Durg Bypass
Deputy Chief Controller of Explosives, West Circle, Surat	Licence No. P/WC/GJ/14/3269/P164179, dated February 20, 2006	February 20, 2006	December 31, 2007	Consent to establish Petroleum Class B Consumer Pump/ Service Station at Surat
District Magistrate, Katni	No/ 762/RDM/2007 dated January 12, 2007	January 12, 2007	N.A.	Consent for storage pf Petroleum Product (LDO) Class C at site to run hot mix plant at Katni project
Regional Officer, Madhya Pradesh Pollution Control Board	No. 4228/ROI/PCB/07 dated June 30, 2007	June 30, 2007	December 31, 2009	Renewal of consent under Section 21 of Air Act for operation of RMC plant ay Musakhedi,

Name of the Licensing/ Registration Authority	Number and Date of Registration/License	Validity Period		Purpose
		From	To	
				Indore
Inspector under the Bombay Shops and Establishment Act, 1948	B-2304/02 dated August 10, 2005	January 1, 2004	December 31, 2007	Certificate under the Bombay Shops and Establishments Act, 1948
Inspector under the Bombay Shops and Establishment Act, 1948	Dii\02\80 dated December 29, 2004	January 1, 2005	December 31, 2007	Certificate under the Bombay Shops and Establishments Act, 1948 for the office of the Company at Mumbai.
Inspector under the Bombay Shops and Establishment Act, 1948	GUL/II/1706 dated December 15, 2004	January 1, 2004	December 31, 2007	Inspector under the Bombay Shops and Establishment Act, 1948 for the office of the Company at Pune.
Inspector under the Bombay Shops and Establishment Act, 1948	CHINCHWAD\11\25357 dated October 16, 2007	October 1, 2007	December 31, 2009	Inspector under the Bombay Shops and Establishment Act, 1948 at Wakad.
Inspector under the M.P. Shops and Establishment Act, 1958	9102821 dated January 6, 2007	January 1, 2007	December 31, 2007	
Assistant Director, Petroleum and Explosives Safety Organisation	E/11Q/RJ/22/103/E638 dated March 8, 2007	March 1, 2007	March 31, 2008	Licence for Chittorgarh by-pas project.
Regional Officer	D-41072/06 dated October 30, 2006	November 1, 2006	October 30, 2008	Quarry lease for minor mineral extraction.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The issue of Equity Shares in the Issue by the Company has been authorized by the resolution of the Board of Directors passed at their meeting held on January 14, 2008, subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act.

The shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on January 14, 2008, 2007 at Mumbai.

Prohibition by SEBI

The Company, its Directors, the Promoters and Promoter group entities, Directors or the person(s) in control of the Promoters, the Company's subsidiaries and affiliates and the companies with which the Directors are associated with as directors or promoters have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Further, the Company's Directors, Promoters and Promoter group entities have confirmed that they have not been detained as wilful 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 pending against them

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Clause 2.2.1 of the SEBI Guidelines as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- Our Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years of which not more than 50% is held in monetary assets and is compliant with Clause 2.2.1(a) of the SEBI Guidelines;

- Our Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three of the immediately preceding five years and is compliant with Clause 2.2.1(b) of the SEBI Guidelines;

- Our Company has a net worth of at least Rs. 10 million in each of the three preceding full years and is compliant with Clause 2.2.1(c) of the SEBI Guidelines; and

- The aggregate of the proposed Issue size and all previous issues made in the same financial year is not expected to exceed five times the pre-Issue net worth of our Company and is compliant with Clause 2.2.1(e) of the SEBI Guidelines.

The Company's net profit, dividend, net worth, net tangible assets and monetary assets derived from the Auditor's Report included in this Draft Red Herring Prospectus as at, and for the last five years ended FY 2007 are set forth below:

(In Rs. millions)

	FY 2007	**FY 2006**	**FY 2005**	**FY 2004**	**FY 2003**
Distributable Profits (1)	147.38	85.88	113.46	57.52	25.57
Net Worth (2)	2,549.85	1,424.62	1,363.50	1,271.98	120.01
Net Tangible assets (3)	2,737.79	1,855.12	841.63	428.38	272.54
Monetary assets (4)	1,050.32	448.63	256.10	191.76	205.62
Monetary assets as a percentage of the net tangible assets	38.36%	24.18%	30.43%	44.76%	75.45%

(1) Distributable profits' have been defined in terms of Section 205 of the Companies Act.
(2) 'Net worth' has been defined as the aggregate of equity share capital and reserves, excluding preference share redemption reserve and 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, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will be not less than 1,000; otherwise the entire application money will 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.
Further, the Issue is subject to the fulfillment of the following conditions as required by Rule 19(2)(b) 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 60% of the Net Issue size allocated to QIBs as specified by SEBI

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 MANAGERS, IDFC-SSKI PRIVATE LIMITED, ENAM SECURITIES PRIVATE LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. 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 AND THE CO BOOK RUNNING LEAD MANAGERS ARE 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 MANAGERS IDFC-SSKI PRIVATE LIMITED, ENAM SECURITIES PRIVATE LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED, JANUARY 16, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

I. 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 PROSPECTUS/LETTER OF OFFER PERTAINING TO THE SAID ISSUE;

II. 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 PROSPECTUS/LETTER OF OFFER 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 PROSPECTUS / LETTER OF OFFER 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).

III. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS/LETTER OF OFFER ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

IV. WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

V. 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 PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.

VI. 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 PROSPECTUS/LETTER OF OFFER.

VII. 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.

VIII. 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.

IX. 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.

X. 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 PROSPECTUS/LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE.

XI. 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.

XII. 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 AS THE ISSUE SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT MODE ONLY.

XIII. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS/LETTER OF OFFER:

(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.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act. All legal requirements pertaining to the issue will be complied with at the time of registration of the Prospectus with the RoC in terms of sections 56, 60 and 60B of the Companies Act.

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under section 63 or 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

Disclaimer from the Company and the BRLMs

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not Issue, sell, pledge or transfer the Equity Shares of the Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company.

The Company, the Directors, the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the 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.ashokabuildcon.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLMs and the Company dated January 14, 2008 and the Underwriting Agreement to be entered into among the Underwriters and the Company.

All information shall be made available by the Company and the BRLMs 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 etc.

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.

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, Mutual Funds, 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 Eligible NRIs, FIIs and eligible foreign investors. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares Issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue 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 Mumbai only.

No action has been or will be taken to permit a public issuing in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with SEBI for observations. Accordingly, the Equity Shares, represented thereby may not be Issued 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 the Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are

only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer clause of the BSE

BSE has given vide its letter dated [●], permission to us to use BSE's name in the Red Herring Prospectus as one of the stock exchanges on which our securities are proposed to be listed. BSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. BSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; or
- Warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that the Draft Red Herring Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given in its letter dated permission to us to use NSE's name in the Red Herring Prospectus as one of the stock exchanges on which our securities are proposed to be listed, The NSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that our securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of this Company.

Every Person who desires to apply for or otherwise acquires any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at SEBI Bhavan, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E),Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus required to

be filed under Section 60 of the Companies Act will be delivered for registration with RoC situated at Mumbai.

Listing

Applications have been made to the BSE and the NSE for permission for listing of the Equity Shares being issued through this Draft Red Herring Prospectus.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, the Company shall 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 15 days from the date of Bid/Issue Closing Date, whichever is earlier), then the Company shall, on and from expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both 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 advisors, the Bankers to the Issue; and (b) the Book Running Lead Manager, the Co Book Running Lead Managers, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Issue to act in their respective capacities, have been obtained and would 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 Draft Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, M.P. Chitale & Co., Chartered Accountants, the Company's Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except the report of [●] in respect of the IPO grading of this Issue annexed herewith and except as stated elsewhere in this Draft Red Herring Prospectus, the Company has not obtained any expert opinions.

Issue Related Expenses

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. The estimated expenses of the Issue are as follows:

Activity	Expense (in Rs. million)	Expense (% of total expenses)	Expense (% of Issue Size)
Lead management fee and underwriting commissions*	[•]	[•]	[•]
Advertising and marketing expenses*	[•]	[•]	[•]
Printing and stationery*	[•]	[•]	[•]
Others (Registrar's fees, legal fees, listing fees etc.)*	[•]	[•]	[•]
Total estimated Issue expenses*	[•]	[•]	[•]

* *Will be completed after finalisation of the Issue Price.*

The listing fee and all expenses with respect to the Issue will be borne by us.

Fees Payable to the Book Running Lead Managers, and Syndicate Members

The total fees payable to the Book Running Lead Manager, Co Book Running Lead Managers and the Syndicate Member (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the BRLMs, a copy of which is available for inspection at the registered office of the Company located at Ashoka House, Ashoka Marg, Nashik, Maharashtra 422 011.

Fees Payable to the Registrar to the Issue

The fees payable 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 signed with the Company, a copy of which is available for inspection at the registered office of the Company.

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 it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the Last Five Years

We have not made any public or rights issues during the last five years.

Issues otherwise than for Cash

Except as stated in the section entitled "Capital Structure" on page 22 of this Draft Red Herring Prospectus and "History and Corporate Matters" on page 106 of this Draft Red Herring Prospectus, the Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Equity Shares

Since this is the initial public issue of the Company's Equity Shares, 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 the Equity Shares since the Company's inception.

Companies under the Same Management

There is no other company under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act, other than the subsidiaries, joint ventures, associates, Promoters and Promoter group companies, details of which companies are provided in the sections entitled "History and Certain Corporate Matters", "Our Promoters" and Our Promoter Group beginning on pages 106, 141 and 145f this Draft Red Herring Prospectus.

Promise vs. Performance – Last Issue of Group/Associate Companies

There has been no public issue by any of the Group/Associate Companies in the last five years except as mentioned in the section titled "Our Promoters" and "Our Promoter Group" beginning on page 141 and 145 respectively in this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

The Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

The Company does not have any outstanding preference shares other than those mentioned in the section titled "Capital Structure" beginning on page 22 in this Draft Red Herring Prospectus.

Stock Market Data of our Equity Shares

This being an initial public issue of the Company, the Equity Shares are not listed on any stock exchange.

Purchase of Property

Except as stated in the "Objects of Issue" on page 38 of this Draft Red Herring Prospectus, and save in respect of the property purchased or acquired or to be purchased or acquired in connection with the business or activities contemplated by the objects of the Issue, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, nor was the contract entered into in contemplation of the Issue, nor is the issue contemplated in consequence of the contract; or

- The amount of the purchase money is not material.

Except as stated in this Draft Red Herring Prospectus, the Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

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 letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was

submitted.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue for the redressal of routine investor grievances shall be ten working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed Mr. Manoj Kulkarni, 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:

Ashoka Buildcon Limited
Ashoka House
Ashoka Marg,
Nasik
Maharashtra - 422 011

Changes in Auditors

The Company has changed its Statutory Auditor in the financial year 2006-07. The Company has appointed Messrs. M.P. Chitale & Co., Chartered Accountants in place of Rathi Daga. The Statutory Auditor was changed in accordance with terms of the Shareholder's Agreement with IDFC PE II.

Capitalisation of Reserves or Profits

Except as disclosed in this Draft Red Herring Prospectus, we have not capitalised our reserves or profits at any time during the last five years.

Revaluation of Assets

The Company has not revalued its assets in the last five years.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, ROC, 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 has, pursuant to resolution passed at its meeting held on January 14, 2008, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act.

The shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on January 14, 2008 at Mumbai.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment.

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 face value of the Equity Shares is Rs. 10 each and the Issue Price is 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 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, the terms of the listing agreement executed with the Stock Exchanges, and our

Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of Our Articles of Association" on page 355 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 SEBI Guidelines, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [●].

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, Maharashtra, India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of 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 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 to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their 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, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Further, in terms of rule 19 (2) (b), SCRR, if at least 60% of the Net Issue cannot be allocated to QIBs, the entire application money shall be refunded forthwith.

Furthermore, in terms of clause 2.22 A of the SEBI guidelines, the Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 1,000.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions on Transfer of Shares

There are no restrictions on transfers and transmissions of shares and on their consolidation/splitting except as provided in our Articles of Association. For details see the section titled "Main Provisions of our Articles of Association beginning on page 355 of this Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

The present Issue of 8,100,000 Equity Shares Rs. 10 each, at a price of Rs. [●] for cash aggregating Rs. [●] million is being made through the 100% Book Building Process.

Particulars	**QIBs**	**Non-Institutional Bidders**	**Retail Individual Bidders**	**Employee Reservation Portion*** **
Number of Equity Shares*	At least 4,762,800 Equity Shares	Minimum of 793,800 Equity Shares available for allocation or Issue Size less allocation to QIB Bidders and Retail Individual Bidders.	Minimum of 2,381,400 Equity Shares available for allocation or Issue Size less allocation to QIB Bidders and Non-Institutional Bidders.	Up to 162,000 Equity Shares.
Percentage of Issue Size available for allotment/allocation	At least 60% of Net Issue Size being allocated. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Minimum of 10% of Net Issue available for allocation or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Minimum of 30% of Net Issueavailable for allocation or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to 2 % of the Issue.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) 238,140 Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) 4,762,800 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 and in multiples of [●] Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares.	[●] Equity Shares and in multiples of [●] Equity Shares.	[●] Equity Shares and in multiples of [●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the	Such number of Equity Shares not exceeding the	Such number of Equity Shares whereby the Bid	There is no restriction on the maximum Bid

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion***
	Issue, subject to applicable limits.	Issue subject to applicable limits.	Amount does not exceed Rs. 100,000.	Amount.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares in multiples of [●] Equity Shares	[●] Equity Shares in multiples of [●] Equity Shares	[●] Equity Shares in multiples of [●] Equity Shares	[●] Equity Shares in multiples of [●] Equity Shares
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250	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 as on January 1, 2008

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion***
	million in accordance with applicable law.			
Terms of Payment#	QIB Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.
Margin Amount	At least 10% of 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. In terms of Rule 19 (2)(b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, 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 and 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 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

** 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.

*** Under-subscription, if any, in the Employee Reservation Portion will be added back to the Non Institutional Portion and Retail Portion. In case of under-subscription in the Net Issue, spillover to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue being at least 10% of the post Issue capital.

Withdrawal of the Issue

The Company in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time, including after the Bid Closing Date but prior to Allotment, without assigning any reason therefor.

Bidding/Issue Programme

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 /Issue Closing Date, the Bids shall be accepted **only between 10 a.m. and 1 p.m.** (Indian Standard Time) and uploaded until such time as permitted by the BSE and the

NSE on the Bid /Issue Closing Date. Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) and uploaded until (i) 5.00 pm in case of Bids by QIB Bidders, Non-Instituional Bidders where the Bid amount is in excess of Rs. 100,000 and (ii) until such time as permitted by the NSE and BSE, 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/Issue Closing Date, the Bidders are advised to submit their Bids and revision in Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 pm (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in 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, BRLMs and Syndicate Mmebers will not be responsible. Bids will be accepted only on working days i.e., Monday to Friday (excluding any public holiday).

The Company reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid /Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 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 BRLMs and 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 the Company, therefore, 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 allocation on a proportionate basis to QIBs and 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 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be submitted only through Syndicate Members. In case of QIB Bidders, the Company in consultation with the BRLMs 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 and Retail Individual Bidders and Employee Reservation Portion, our Company will have a right to reject the Bids only on technical grounds.

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

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 the Company to make the necessary changes in the 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
Indian public, Eligible NRIs applying on a non repatriation basis	[●]
Non-Residents, Eligible NRIs, FVCIs, FIIs etc applying on a repatriation basis	[●]
Eligible Employees	[●]

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;
- Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws;
- FII registered with SEBI, on a repatriation basis;
- Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- 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;
- Multilateral and Bilateral Development Financial Institutions; and
- Eligible Employees

As per existing RBI regulations, OCBs are prohibited from investing in this Issue.

Participation by associates of BRLMs and Syndicate Members

The BRLMs and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs, and Syndicate Members 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.

The information below is given for the benefit of the Bidders. The Company and the BRLMs 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.

Bids 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 238,140 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.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

In accordance with the SEBI Guidelines, 5% of the QIB portion, i.e. 238,140 Equity Shares have been specifically reserved for Mutual Funds.

Bids by NRIs

1. Bid cum application forms have been made available for NRIs at our registered /corporate office, members of the Syndicate of the Registrar to the Issue.

2. 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.

Bids 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 Equity Shares. In respect of an FII investing in the 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 foreign equity participation up to 100% is permissible under the automatic route. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the Board 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 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 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.

Bids 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, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

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 Price 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 Price does not exceed Rs. 100,000. In case the Bid Price 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 final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** 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 Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/ Issue 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 QIBs 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. The maximum Bid in this category by an Eligible Employee cannot exceed the size of 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 or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders:

(a) The Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The Company, the BRLMs shall declare the Bid/ Issue Opening Date, Bid/ Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in three widely circulated newspapers (one each in English, Hindi and Marathi). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in

Schedule XX–A of the SEBI DIP Guidelines, as amended vide SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005.

(c) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(d) Any investor (who is eligible to invest in our Equity Shares) 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 and should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their bids. QIB Bidders can only submit their Bids through the BRLMs.

(e) The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.

(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.

(g) The Bidding/ Issue Period shall be for a minimum of three working days and not exceeding seven working days. In case the Price Band is revised, the revised Price Band and the Bidding/ Issue Period will be published in three national newspapers (one each in English and Hindi) and one Marathi newspaper and the Bidding/ Issue Period may be extended, if required, by an additional three days, subject to the total Bidding/ Issue Period not exceeding 10 working days.

(h) The Price Band has been fixed at Rs.[●] to Rs. [●] per Equity Share of Rs. 10 each, Rs. [●] being the lower end of the Price Band and Rs. [●] being the higher end of the Price Band. The Bidders can bid at any price with in the Price Band, in multiples of Re. 1 (One).

(i) The Company in consultation with the BRLMs reserves the right to revise the Price Band, during the Bidding Period, in accordance with SEBI Guidelines. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.

(j) In case of revision in the Price Band, the Bidding/ Issue 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/ Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in three widely circulated newspapers (one each in English and Hindi) and one Marathi newspaper, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members.

(k) The Company in consultation with the BRLMs can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

Method and Process of Bidding

(a) The Company and the BRLMs shall declare the Bid /Issue Opening Date, Bid /Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same in three widely circulated newspapers (one each in English, Hindi and Marathi). This advertisement shall contain the salient features of the Red Herring Prospectus in the nature of the specifications under Form 2A of the Companies Act, the method and process of bidding and the names and addresses of the BRLMs, and the Syndicate Members and their bidding centers. The Syndicate Members shall accept Bids from the Bidders during the Issue 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.

(c) The Bidding/ Issue 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 three national newspapers (one each in English, Hindi and Marathi) and the Bidding/ Issue Period may be extended, if required, by an additional three days, subject to the total Bidding/ Issue Period not exceeding ten working days.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" on page 330 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/Allotment 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 paragraph titled "Bids at Different Price Levels and Revision of Bids" on page 330.

(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/Issue 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 paragraph titled "Terms of Payment and Payment into the Escrow Accounts" on page 338.

Bids at Different Price Levels and Revision of Bids

(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 Guidelines, the Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

(c) In case of revision in the Price Band, the Issue 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/Issue Period, if applicable, will be widely disseminated by

notification to NSE and BSE, by issuing a public notice in three national newspapers (one each in English, Hindi and Marathi), and also by indicating the change on the websites of the BRLMs and at the bidding terminals of the members of the Syndicate.

(d) The Company in consultation with the BRLMs 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) The Bidder can bid at any price within the Price Band in multiples of Re. 1 (One). The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB, Non-Institutional Bidders and Eligible Employees bidding in excess of Rs. 100,000 and such Bids shall be rejected.

(f) Retail Individual Bidders and Eligible Employees who bid at the Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Eligible Employees bidding at Cut-Off Price shall deposit the Bid Price based on the higher end of the Price Band in the Escrow Account. In the event the Bid Price is higher than the subscription amount payable by the Retail Individual Bidders and Eligible Employees, who Bid 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, who Bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account.

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees 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 Price plus additional payment does not exceed Rs. 100,000, if such Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member 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, such 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, announced as above, Retail Individual Bidders and Eligible Employees who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(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 Price payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

(j) During the Bidding/ Issue 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.

(k) 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 revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(l) 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.

(m) 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.

(n) 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 the 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.

(o) 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.**

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (White colour for Resident Indians, Blue colour for NRIs and FIIs and applying on repatriation basis, Pink colour for Bidders under Employee Reservation portion).

(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) For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares 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 Price exceeds or equal to Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) Eligible NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of [●] Equity Shares thereafter that the Bid Price exceeds Rs. 100,000.

(f) Bids by Non Residents, Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

(g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. Bidders under the Employee Reservation Portion can apply for a maximum of the size of the Issue. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under 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.

For the purpose of the Employee Reservation Portion, Eligible Employee means permanent employees of the Company incorporated in India who are Indian Nationals as on January 1, 2008, are based in India and are physically present in India on the date of submission of the Bid- cum-Application Form.

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) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid in this category by an Eligible Employee cannot exceed the size of the Issue.

c) Eligible Employees, as defined above, should mention their Employee Number at the relevant place in the Bid cum Application Form

d) The sole/ first bidder should be Eligible Employees as defined above.

e) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.

f) 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.

g) 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.

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 Non-Institutional Portion and the Retail Portion, and the ratio amongst the investor categories will be at the discretion of the Company, the BRLMs. 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 subject to the Net Issue being at leat 10% of the post Issue capital.

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 344 of this Draft Red Herring Prospectus.

l) This is not an issue for sale within the United States of any equity shares or any other security of the Company. Securities of the Company, including any offering of its equity shares, may not be offered or sold in the United States in the absence of registration under U.S. securities laws or unless exempt from registration under such laws.

Electronic Registration of Bids

(a) The Members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. 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) The BSE and NSE 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. 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 half hourly 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 BRLMs on a regular basis.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a half hourly basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres 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 Bidder(s). Bidders should 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, Bidders should ensure that Depository Accounts also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- Investor Category – Individual, Corporate, NRI, FII, QIB, FVCI, Eligible Employee or Mutual Fund etc.
- Numbers of Equity Shares bid for.
- Bid price.
- Bid cum Application Form number.
- Whether Margin Amount has been paid upon submission of Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary 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 allocated/Allotment 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, members of the syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case on Non-Institutional Bidders and Retail Individual Bidders who Bid, Bids would not be rejected except on the technical grounds listed on page 341 of this Draft Red Herring Prospectus.

(h) The permission given by BSE and NSE to use their network and software of the Online IPO

system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by BSE and NSE; 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 the 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 BSE and NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; 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 BSE and NSE.

(j) 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 the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply;

(b) Read all the instructions carefully and complete the applicable Bid cum Application Form;

(c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(e) Ensure that you have been given a TRS for all your Bid options;

(f) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(g) For Bid(s) at all values Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act.;

(h) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(i) 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:

(a) Do not bid for lower than the minimum Bid size;

(b) 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;

(c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not bid at Cut Off Price (for QIB Bidders, Non-Institutional Bidders and Eligible Employees bidding in the Employee Reservation Portion for bid amount in excess of Rs. 100,000);

(g) 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; and

(h) **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.

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 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 BRLMs or the Registrar or the Escrow Collection Banks nor the 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 orders 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 any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories

to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

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 the Company, the Registrar, Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches 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.

The 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.

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. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds 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 of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

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, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

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, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) 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, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

The Company in its 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 the Company and the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism

The Company and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. 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, 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. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, and 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 draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms.

1. Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, 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) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The Margin Amount payable by each category of Bidders is mentioned under the section titled "Issue Structure" on page 321. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

2. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Price, any difference between the amount payable by the Bidder for Equity Shares allocated/allotted 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 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of Resident QIB Bidders: "[●]"
- In case of non-resident QIB Bidders: "[●]"
- In case of Other Resident Bidders: "[●]"
- In case of Other Non Resident Bidders: "[●]"
- In case of Eligible Employees: "[●]"

4. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of Bids by FIIs or FVCIs, 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.

6. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated\ will be refunded to the Bidder from the Refund Account.

7. On the Designated Date and no later than 15 days from the Bid/ Issue Closing Date, the Escrow Collection Bank 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.

8. 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 Stockinvest

In terms of the 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 stockinvest 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.

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. 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.

In cases where there are more than 20 valid applicants having a common address, such shares will kept in abeyance post allotment and released on confirmation of KYC norms by the Depositories.

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 which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form 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 fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

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

For Bid(s) at all values, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/ her Permanent Account Number (PAN) allotted under the I.T. Act. Applications without this information 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**. In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable."

GROUNDS FOR REJECTIONS

In case of QIB Bidders, the Company in consultation with the BRLMs 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 and Retail Individual Bidders who Bid, the Company have a right to reject Bids based on technical grounds.

Bidders are advised to note that Bids are liable to be rejected *inter alia* 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, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not given for Bid(s) at any value;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional and QIB Bidders and Bidders in Employee Reservation Portion bidding in excess of Rs. 100,000
- 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 BRLMs, 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/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the 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 account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by OCBs;
- Bids by persons who are not eligible to acquire Equity Shares in terms of applicable laws, rules, regulations, guidelines and approvals;
- Bids in the Employee Reservation portion by employees who are not Eligible Employees;
- Bids by US persons or other than in reliance on Regulation S under the Securities Act; and
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels.

(b) The Company in consultation with the BRLMs shall finalise the "Issue Price".

(c) The allocation to QIBs will be at least 60% of the Net Issue and 10% and 30% of the Net Issue will be available for allocation to Non-Institutional and Retail Individual Bidders respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and this Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.

(d) 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 the Company and the in consultation with the BRLMs. 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. In the event that the aggregate demand in the QIB Portion has been met, undersubscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange.

(e) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Non-Institutional Portion and Retail Portion.

(f) Allocation to Eligible NRIs, FIIs, foreign venture capital funds registered with SEBI applying on

repatriation basis will be subject applicable law and the terms and conditions stipulated by the RBI.

(g) The BRLMs in consultation with our Company shall notify the memebers of the Syndicate of the Issue Price and allocationsto their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(h) We reserve the right to cancel the Issue any time after the Bid/issue Opening Date but before the Allotment without assigning any reasons whatsoever.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the BRLMs and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) /Allotment to the Bidders.

(b) After signing the Underwriting Agreement, the Company would update and file the updated Red Herring Prospectus with 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.

(c) The Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

(d) The Company will issue a statutory advertisement 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 CAN

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/ Allotted Equity Shares in the Issue. The approval of the basis of Allotment 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 the 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 BRLMs or members of the Syndicate would dispatch a 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 the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated/Allotted Equity Shares and who have already paid the Bid Amount 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 his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be 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 Reconciliation and Revised CANs" as set forth herein.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN on or prior to [●], 2008, indicating the number of Equity Shares that may be Allotted 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 physical book prepared by the Registrar. Subject to SEBI 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 and specified in the physical book. 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. It is not necessary that a revised CAN will be sent. 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 Allotment 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) The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allotees shall be within two working days of the date of Allotment.

(b) In accordance with the SEBI Guidelines, Equity Shares will be issued, and Allotment shall be made only in the dematerialised form to the allotees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated / allotted to them pursuant to this Issue.

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 Net 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 [●]. 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 Net 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 16 Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For Employee Reservation Portion

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under 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.

- 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 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 Shares thereafter. For the method of proportionate basis of allocation, refer below.

- Only Eligible Employees eligible to apply under Employee Reservation Portion.

D. 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 up to 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 up to 5% of the QIB Portion.

(ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all 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 up to 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.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1	Issue size	200 million equity shares
2	Allocation to QIB (60%)	120 million equity shares
	Of which:	
	a. Allocation to MF (5%)	6 million equity shares
	b. Balance for all QIBs including MFs	114 million equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million equity shares

B. Details of QIB Bids

S.No	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50

S.No	Type of QIB bidders#	No. of shares bid for (in million)
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	11.40	0
A2	20	0	4.56	0
A3	130	0	29.64	0
A4	50	0	11.40	0
A5	50	0	11,40	0
MF1	40	1.2	9.12	10.32
MF2	40	1.2	9.12	10.32
MF3	80	2.4	18.24	20.64
MF4	20	0.6	4.56	5.16
MF5	20	0.6	4.56	5.16
	500	**6**	**114**	**51.64**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled "Issue Structure" beginning on page 321 of this Draft Red Herring Prospectus.

2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.

3. The balance 114 million Equity Shares (i.e. 120 - 6 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).

4. The figures in the fourth column titled "Allocation of balance 114 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 114 / 494

   - 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 114/494

- The numerator and denominator for arriving at allocation of 114 million shares to the 10 QIBs are reduced by 6 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs 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 categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder shall be Allotted a minimum of [●] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted 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.

PAYMENT OF REFUND

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 despatch 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 the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs 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 as given hereunder:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following fifteen centres: 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 fifteen centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the abovementioned fifteen 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 the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – 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.

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 up to 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 centres will be payable by the Bidders.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of basis of allocation. 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 & RTGS. We shall ensure despatch 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/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be send 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, the Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;

- The Company 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 us, as an Escrow Collection 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.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company ensures 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/ Issue 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.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 days of the Bid/Issue 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/Issue Closing Date would be ensured; and

- The Company shall pay interest at 15% (fifteen) 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 Guidelines.

UNDERTAKINGS BY OUR COMPANY

We undertake the following:

- That the complaints received in respect of this Issue shall be attended to by us expeditiously;
- 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 Allotment;
- 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/ Issue 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 dispatched within specified time; and
- That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

The 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

Our Board certifies that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilised out of Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- Details of all monies utilised out of the funds received from Employee Reservation Portion shall be disclosed under an appropriate head in the balance sheet of the 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 head in the balance sheet indicating the form in which such unutilised monies have been invested;
- Details of all unutilized monies out of the funds received from the Employee Reservation Portion shall be disclosed under a separate head in the balance sheet of the Company, indicating the form in which such unutlilised monies have been kept.

Withdrawal of the Issue

The Company in consultation with the BRLMs reserves the right not to proceed with the Issue at anytime including after the Bid/ Issue Opening Date, without assigning any reason thereof. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, 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 the Company, the respective Depositories and the Registrar to the Issue:

a) Agreement dated [●]with NSDL, the Company and the Registrar to the Issue;

b) Agreement dated [●] with CDSL, the Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of the Equity Shares of the 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, Bidders Depository Account Details, 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 shares in the respective beneficiary accounts, refund orders etc.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI 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 in the construction and engineering sector is permitted under the automatic route.

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.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Subscription by foreign investors (NRIs/FIIs)

There is no reservation for Non Residents, NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per existing regulations, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The Company and the BRLMs 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.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have meaning that has been given to such terms in the Articles of Association of Ashoka Buildcon Limited. Pursuant to Schedule II of the Companies Act and SEBI Guidelines, the main provisions of the Articles of Association of Ashoka Buildcon Limited are set forth below:

TABLE "A" EXCLUDED

Article 1 provides that, "No regulations contained in Table A, in the First Schedule to the Companies Act, 1956, or in the Schedule to any previous Companies Act shall apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles."

CAPITAL INCREASE AND REDUCTION OF CAPITAL

Amount of Capital

Article 3 provides that, "The authorised Capital of the Company shall be as defined in Clause V of the Memorandum of Association including amendments thereto, if any."

Shares under the control of the Directors

Article 19 provides that, "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 provisions of sections 78 and 79 of the Act) at a discount and at such time as they may form 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. The Board shall cause to be filed the returns as to allotment provided for in section 75 of the Act."

Power of General Meeting to offer shares to such persons as the Company may resolve

Article 20 provides that, "In addition to and without derogating from the powers for that purpose conferred on the Board under Article 19, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether a Member or not), in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78, 79 and 86 of the Act) at a premium or at par or at a discount or Shares with voting rights or with differential rights as to dividend, voting or otherwise as such general meeting shall determine and with full power to give any person (whether a Member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares."

Increase of Capital

Article 4 provides that, "The Company in General Meeting may, from time to time by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct and if no direction be given, as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
The Company may, subject to provisions of the Act and Rules made there under as may be in force, from time to time, issue shares and other securities under Employees Stock Options and/or by way of Sweat Equity."

Provisions in case of redeemable Preference Shares

Article 6 provides that, "Subject to the provisions of the Section 80 of the Act, the Company shall have the power to issue Preference Shares, which are or at the option of the Company liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption."

Buy Back of Shares
Article 10 provides that, "Subject to the provisions of Section 77A, 77AA and 77B of the Act, the Rules made there under and any statutory modifications thereof, the Company may purchase its own Shares or other specified securities from time to time out of (i) Out of its Free Reserves (ii) the Securities Premium Account (iii) the proceeds of any shares or any other specified securities
provided that no buyback of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of the other specified securities."

Reduction of Capital

Article 9 provides that, "The Company may (subject to the provisions of Sections 78, 80, 100 to 105 inclusive of the Act) from time to time by Special Resolution, reduce its capital, any Capital redemption Reserve Account and Share Premium Account in any manner for the time being authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise."

Consolidation, division and sub-division

Article 11 provides that, "Subject to the provisions of Section 94 of the Act the Company in general meeting may, from time to time, sub-divide or consolidate its shares or any of them and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled."

SHARES

Shares to be numbered progressively and no share to be sub-divided

Article 16 provides that, "The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished."

Directors may allot shares as fully paid up

Article 19 provides that, "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 provisions of sections 78 and 79 of the Act) at a discount and at such time as they may form 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. The Board shall cause to be filed the returns as to allotment provided for in section 75 of the Act."

Deposit and call etc. to be a debt payable immediately

Article 22 provides that, "The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly."

Company not bound to recognize any interest in shares other than that of registered holder

Article 27 provides that, "Except as ordered by a Court of competent jurisdiction or as by law required, the company shall not be bound to recognise any equitable, contingent, future or partial interest in share or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.**"**

UNDERWRITING AND BROKERAGE

Commission may be paid

Article 28 provides that, "Subject to the provisions of Section 76 of the Act the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other."

Brokerage

Article 29 provides that, "The Company may also, on any issue of shares or debentures, pay such brokerage as may be lawful**."**

INTEREST OUT OF CAPITAL

Interest may be paid out of Capital

Article 30 provides that, "Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant."

CERTIFICATES

Share Certificates

Article 24 provides that, "Every Member or allottee of the shares shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof or otherwise provide, or within two months of the receipt of the application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of the letter of allotment or the fractional coupons of requisite value , if any, save in case of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares. Every certificate of share shall be under the seal of the Company which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the two Directors or their attorneys and the Secretary or other person shall sign the certificate of share, provided that if the composition of the Board permits of it, one of the aforesaid two Directors shall be a Managing Director. Every certificate of share shall specify the number and distinctive number of shares in respect of which it is issued and amount paid–up thereon and shall be in such form as the Directors may prescribe and approve.

Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue. For any further certificate the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

(b) The Board may, at any time, declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

(c). The provisions of this Article shall *mutatis mutandis* apply to calls on debentures of the Company.

(d) 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 there of 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 the execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.1/- for each Certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

(e) Subject to the provisions of section 111A of the Act, other applicable provisions of the act and these Articles or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving such intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other persons indebted to the Company on any account whatsoever except where the Company has a lien on shares."

Renewal of share certificates

Article 25 provides that, "(a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out or where the cages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company. (b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. _____ sub-divided / replaced / on consolidation of shares." (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity and as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit. (d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No.____." The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate. (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column. (f) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the safe custody of the Secretary or of such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board. (g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificate referred to in sub-article (f). (h) All books referred to in sub-Article (g) shall be preserved in good order permanently."

CALLS

Directors may make calls

Article 31 provides that, "The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotments, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the Members in respect of all

moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments."

Notice of calls

Article 32 provides that, "Fourteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid."

Call to date from resolution

Article 33 provides that, "A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board."

Directors may extend time

Article 36 provides that, "The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members, the Board may deem fairly entitled to such extension but no Member shall be entitled to such extension save as a matter of grace and favour."

Calls to carry interest

Article 37 provides that, "If any Member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member."

Payment in anticipation of calls may carry interest

Article 41 provides that, "(a) The Board may, if it thinks fit, subject to the provisions of Section 92 of theAct, agree to and receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the Board agreed upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits. (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable."

FORFEITURE, SURRENDER AND LIEN

If money payable on share not paid, notice to be given to Member

Article 45 provides that, "If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment."

Form or notice

Article 46 provides that, "The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Board of Directors shall determine from the date on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited."

In default of payment, shares to be forfeited

Article 47 provides that, "If the requirements of any such notice as aforesaid shall not be complied with, every or any shares in respect of which, such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture."

Forfeited share to be property of the Company and may be sold, etc.

Article 49 provides that, "Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit."

Company to have lien on shares

Article 42 provides that, "(a) The Company shall have a first and paramount lien upon all the shares and/or debentures (other than fully paid up shares) 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 fixed time in respect of such shares and/or debentures and no equitable interest in any shares and/or debentures shall be created except upon the footing and upon the condition that Article 23 hereof is to have full effect. Any such lien shall extend to all dividends, bonuses from time to time declared in respect of such shares and/or debentures. Unless otherwise agreed the registration of a transfer of shares and/or debentures shall operate as a waiver of the Company's lien, if any, on such shares and/or debentures."

TRANSFER AND TRANSMISSION OF SHARES

Form of transfer

Article 57 provides that, "The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

Directors may refuse to register transfer

Article 24 (e) provides that, "Subject to the provisions of section 111A of the Act, other applicable provisions of the act and these Articles or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving such intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other persons indebted to the Company on any account whatsoever except where the Company has a lien on shares."

Title to shares, etc. of deceased Members

Article 62 provides that, "Where a shareholder, debenture holder or the holder of other security has not nominated any other person pursuant to Section 109A of the Act, 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 recognised by the Company as having any title to the shares, debenture or other securities registered in the name of such person and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with 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 and under Article 64 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member as a Member."

Fee on transfer or transmission

Article 66 provides that, "No fees 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."

JOINT HOLDERS

The First name of joint holders deemed sole holder

Article 26 provides that, "If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations."

Liability of joint-holders

Article 35 provides that, "The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof."

Dividend etc. to joint-holders

Article 155 provides that, "Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other payable in respect of such shares."

Documents or Notices

Article 170 provides that, "A document or notice may be served or given by the Company on or to the joint-holders of a share by serving or giving the document or notice on or to the joint-holder named first in the Register of Members in respect of the share."

Votes of joint Members

Article 87 provides that, "If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak

at the meeting and if more than one of such joint-holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof."

Death of one or more joint-holders of shares

Article 61 provides that, "In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person."

DEMATERIALIZATION OF SECURITIES

Dematerialization of Securities
Article 17 provides that, "Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialize its securities and to offer securities in the Dematerialized form pursuant to the Depositories Act, 1996.
Definitions

1. For the purpose of the Article :
   "Beneficial Owner" means a person whose names is/are recorded as such with the Depository.
   "SEBI" means the Securities & Exchange Board of India.
   "Act" means the Companies Act, 1956 or any further amendments thereof.
   "Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a Certificate of Registration to act as a Depository under the Securities & Exchange Board of India Act, 1992 and
   "Security" means such Security as may be specified by the SEBI from time to time.
2. Every person subscribing to security offered by the Company shall have the option to receive security certificate or to hold the security in a dematerialized form with a depository. Such a person who is the beneficial owner of the Security can at any time opt out of depository, if permitted by the Law, in respect of any security in the manner provided by the Depository Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
3. Notwithstanding anything contained in sub section (1) of the section 113 of the Act, where the securities are dealt with by a depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
4. All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372A of the Act, shall apply to a Depository in respect of the securities held by a depository. No Certificate shall be issued for the securities held by a depository.
5. 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 by a depository. No Certificate shall be issued for the securities held by a depository.
6. Notwithstanding anything contained in these Articles, in the case of transfer or transmission of securities where the Company has not issued any certificates and where such securities are being held in a electronic and fungible form by a Depository, the provisions of the Depositories Act, 1996 shall apply. The Company shall not be required to maintain "Register of Transfers" for entering particulars of transfer and transmission of Securities in dematerialized Form.
7. Notwithstanding anything contained in the Act or in these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of a beneficial owner. Save as otherwise provided hereinabove, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it and the beneficial

owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its securities held by a depository.

8. Except as ordered by the Court of Competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the securities in records of the depository as the absolute owner thereof and accordingly the Company shall not be bound to recognize any benami, trust or equitable, contingent, future or partial interest in any security or except only right in respect of security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or it shall have express or implied notice thereof.
9. Notwithstanding anything contained in the Act or these Articles, where securities are held by a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs or any such other means.
10. 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 the depository.
11. Notwithstanding anything contained in the Act or these Articles, the company cal hold investments in the name of the Depository when such investments are in the Form of securities held by the Company as a beneficial owner.
12. The Register and Index of beneficial owners maintained by the Depository under Section 11 of the Depository Act, 1996 shall be deemed to be the Register and Index of the members for the purpose of the Act. The Company shall have the power to keep in any stake or country outside India a Branch Register of Members resident in that state or country.
13. Notwithstanding anything contained in these Articles or the Act, 1996 relating to dematerialisation of securities (including any modifications or re-enactment thereof and Rules/Regulations made thereunder) shall prevail and apply accordingly.

GENERAL MEETINGS

Meeting not to transact business not mentioned in notice

Article 80 provides that, "No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened."

Chairman of General Meeting

Article 82 provides that, "The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Directors or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair then the Members present shall elect another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair, then the Members present shall elect one of their number to be Chairman."

Chairman with consent may adjourn meeting

Article 83 provides that, "The Chairman with the consent of the Members may adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place."

VOTES OF MEMBERS

Casting of votes by a Member entitled to more than one vote.

Article 85 provides that, "On a poll being taken at a meeting of the Company a Member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses."

Voting in person or by proxy

Article 88 provides that, "Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a Member may vote either by proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member."

Casting vote

Article 84 provides that, "The Chairman will not have a second or casting vote."

Voting in person or by proxy

Article 88 provides that, "Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a Member may vote either by proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member."

Proxy to vote only on a poll

Article 91 provides that, "A Member present by proxy shall be entitled to vote only on a poll."

Appointment of proxy

Article 89 provides that, "Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointor or his attorney or if such appointor is a body corporate under the common seal or such corporation or be signed by an officer or any attorney duly authorised by it and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings."

DIRECTORS

General provisions relating to Directors

Article 108 provides that, "The Directors (or his/her alternate) shall not be required to hold any qualification Shares."

Number of Directors

Article 99 provides that, "The Board shall consist of a maximum of 12 Directors which number shall not be changed except vide an amendment to these Articles. At least two (2) of the Directors shall be independent Directors ("**Independent Directors**"), appointed with approval of the Promoters and the IDFC Infrastructure Fund 2. The IDFC Infrastructure Fund 2 shall have the right to appoint 1 (one) non-retiring Director on the Board and his/ her alternate (the "**Investor Director**"). The IDFC Infrastructure Fund 2 shall have a right to recommend by written notice to the Company the removal of the Investor Director (or his/her alternate, as the case may be) and the appointment of another person in his/her place and to fill any vacancy in the office of such Investor Director, and the Board shall duly consider and give effect to such recommendation. The Board shall also appoint the non-retiring Investor Director or his/her alternate or his/her representative on any committees constituted by the Board, as per the request of the IDFC Infrastructure Fund 2. The IDFC Infrastructure Fund 2 shall have a right to appoint one observer on the Board, which observer can attend but not vote or participate at any meeting of the Board."

Nominee Director/s

Article 119 provides that, "Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Infrastructure Development Finance Company Limited (IDFC), Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Ltd. (ICICI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDFC, IDBI, IFCI, ICICI, LIC, UTI or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDFC, IDBI, IFCI, ICICI, LIC, UTI or any other Finance corporation or Credit Corporation or any other financing Company or Body is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct any person or persons as a Director or Directors (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s."

Debenture Directors

Article 120 provides that, "If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from the office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall no be bound to hold any qualification shares."

Remuneration of Directors

Article 121 provides that, "(1) Subject to the provisions of the Act, a Managing Director or Managing Directors and any other Director/s who is/are in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way or partly by the other. (2) Subject to the provisions of the Act, a Director other than any Director appointed under Articles 118, 119 and 120 who is neither in the whole-time employment nor a Managing Director may be paid remuneration either: - (i) By way of monthly, quarterly or annual payment with the approval of the Central Government, or (ii) By way of commission if the Company by a special resolution authorised such payment. (3) The fee payable to a Director (other than Managing/Whole-time Director/s) for attending a meeting of the Board or Committee thereof shall be such sum as may be determined by the Board of Directors within the limits as prescribed by the Central Government from time to time."

RETIREMENT AND ROTATION OF DIRECTORS

Retirement and rotation of Directors

Article 126 provides that, "At every Annual General Meeting of the Company, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Debenture Director or any Director appointed under Article 118 and 119 and the Managing Director for the time being, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire."

Ascertainment of Directors retiring by rotation and filling of vacancies

Article 127 provides that, "Subject to Section 256(2) of the Act the Directors to retire by rotation under Article 126 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot."

PROCEEDINGS OF MEETINGS OF THE BOARD OF DIRECTORS

Meetings of the Board at least once in every calendar quarter

Article 109 provides that, "The Board shall meet at least once in every calendar quarter and at least four (4) such meetings shall be held in every year. In the event that a meeting of the Board is not held during any calendar quarter, any Director may call a meeting of the Board by giving at ten (10) days prior notice to the other Directors. All meetings of the Board or any committee of the Board shall be called by giving at least ten (10) days prior notice, which notice shall be in writing and accompanied by the agenda setting out in detail the businesses proposed to be transacted at such meeting and all relevant documents thereto. All notices shall be sent to the IDFC Infrastructure Fund 2 and each of the Directors, including the Investor Director, by speed post acknowledgement due at their usual address in India or by international courier if situated abroad, and through email as well. Any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board without the prior written consent of the Investor Director. No meeting of the Board shall be convened at a shorter notice period without the prior written consent of the Investor Director."

Quorum for a Board meeting

Article 113 provides that, "The quorum for a Board meeting shall be governed by the provisions of the Act, subject to the presence of the Investor Director (or his alternate) at that meeting. If the Investor Director is not present at a meeting there shall be no quorum to conduct the meeting, even if all other provisions of the Act are fulfilled. The IDFC Infrastructure Fund 2 shall make best efforts to ensure that at all meetings of the Board, the Investor Director (or his alternate) is present. If at a meeting of the Board (the "First Adjourned Meeting") a valid quorum is not present, the meeting shall be adjourned and be reconvened at a mutually agreed time and place one (1) week later by giving at least three (3) days notice. If at such adjourned meeting (the "Second Adjourned Meeting") the Investor Director (or his alternate) do not remain or are not present, then the members present comprising the Board shall be a valid quorum. Provided that no matters not already circulated as agenda for the First Adjourned Meeting, should be tabled as agenda or discussed or passed at the Second Adjourned Meeting."

When meeting to be convened

Article 139 provides that, "The Secretary shall, as and when directed by the Directors to do so, convene a meeting of the Board by giving a notice in writing to every Director."

Chairman

Article 140 provides that, "The Directors may from time to time elect from among their number, a Chairman of the Board and determine the period for which he is to hold office. Shri Ashok M Katariya will continue to be Chairman of the Board of Directors, so long as he continues to be a Director. If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting."

POWERS OF DIRECTORS

Powers of Directors

Article 143 provides that, "The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other Act or by the Memorandum or by the Articles of the

Company required to be exercised by the Company in General Meeting only, subject nevertheless to these Articles, to the provisions of the Act or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting : (a) sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking; (b) remit or give time for the repayment of, any debt due by a Director; (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it can not be carried on or can be carried on only with difficulty or only after a considerable time; (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall subject to these Articles, be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated; or (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater."

Certain powers of the Board

Article 144 provides that, "Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power: (1) To pay costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Sections 76 and 208 of the Act. (3) Subject to Sections 292 and 297 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages or other securities of the Company; and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged. (5) To secure the fulfillment of any contract or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner, as they may think fit. (6) To accept from any Member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed. (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested or for any other purposes and to execute and do all such deeds and things as may be required in relation to any trust and to provide for the remuneration of such trustee or trustees. (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment of satisfaction of any debts due and of any claim or demand by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon. (9) To act on behalf of the Company in all matters relating to bankrupts and insolvents. (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company. (11) Subject to the provisions of Sections 292, 295 and 372A of the Act, to invest and deal with any moneys of the Company not immediately required for

the purposes thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investment. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name. (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon. (13) To determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose. (14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company. (15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependants or connections of such persons, by building or contributing to the buildings of houses, dwellings or chawls, or by grants of money pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places on instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise. (16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any Special Fund, to meet contingencies or to repay debentures, or debenture-stock, or redeemable preference shares or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or debenture-stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper. (17) To appoint and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments or remuneration and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause. (18) To comply with the requirements of any local law which in their opinion it shall in the interests of the Company be necessary or expedient to comply with. (19) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Boards and to fix their remuneration. (20) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys and to authorise the Members for the time

being of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation. (21) At any time and from time to time by Power of Attorney under the Seal of the Company to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any Local Board, established as aforesaid or in favour of any company or the share holders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such Powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them. (22) Subject to Section 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. (23) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants."

Power to Borrow

Article 69 provides that, "Subject to the provisions of Sections 292 and 293 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting."

MANAGING OR WHOLETIME DIRECTORS

Board may appoint Managing Director or Managing Directors or whole time Director or Directors

Article 135 provides that, "Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its number as Managing Director or Managing Directors or whole time Director or Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of Article 143, the Board may by resolution vest with such Managing Director or Managing Directors or whole time Director or Directors such of the powers hereby vested with the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, fee for each meeting or participation in profits or by any or all these modes or any other mode not expressly prohibited by the Act."

DIVIDENDS

Division of profits

Article 149 provides that, "The profits of the company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of capital paid-up or credited as paid-up the shares held by them respectively."

The Company in General Meeting may declare a dividend

Article 150 provides that, "The Company in General Meeting may declare dividends to be paid to Members according to their respective rights, but no dividends shall exceed the amount recommended by the Board."

Dividends in proportion to amount paid-up

Article 154 provides that, "All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such share shall rank for dividend accordingly."

Unclaimed dividend

Article 159 provides that, "Dividends unclaimed will be dealt with according to the provisions of Sections 205A, 205B and 205C of the Companies Act, 1956."

AUDIT

Accounts to be audited

Article 167 provides that, "Auditors shall be appointed and their rights and duties regulated in accordance with Sections 224 to 233 of the Act."

INDEMNITY AND RESPONSIBILITY

Directors' and Others' right of Indemnity

Article 177 provides that, "Every Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court."

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been attached to the copy of this Draft Red Herring Prospectus delivered to the Registrar of Companies, Maharashtra at Mumbai for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office of the Company located at Ashoka House, Ashoka Marg, Nashik, Maharashtra - 422 011

A. Material Contracts for the Company

1. Shareholders Agreement between the Company and IDFC Infrastructure Fund 2 dated July 11, 2006.

2. Agreement between the Company and Ashoka Vastu Private Limited and Ashoka Builders (Nashik) Private Limited dated September 15, 2001.

3. Shareholders' Agreement between the Company and D. S. Constructions Limited dated July 14, 2006.

4. Joint Venture Agreement between the Company and Valecha Engineering Limited dated September 1, 2005.

5. Memorandum of Understanding between the Company and IVRCL Infrastructures and Projects Limited dated August 14, 2001.

6. Shareholders' Agreement between the Company, IVRCL Infrastructures and Projects Limited and Viva Infrastructure Private Limited dated March 25, 2002.

7. Memoranda of Understanding between the Company and Infrastructure Finance Dvelopment Company Limited dated May 26, 2006.

8. Memorandum of Understanding between the Company and Jayaswal Holdings Private Limited dated October 20, 1998.

10. Memorandum of Understanding entered into among VIPL, SREI Infrastructure Finance Limited, Subhash Projects and Marketing Limited and PNC Construction Company Limited dated May 26, 2007

11. Letter of Intent dated January 11, 2008 from IDFC Limited to provide a term loan of Rs. 2,850 million to Ashoka Highways (Bhandara) Limited for the NH-6 project

B. Material Contracts to the Issue

1. Letter of Engagement dated December 20, 2007 for the appointment of IDFC-SSKI Private Limited, Enam Securities Private Limited and Kotak Mahindra Capital Company Limited from the Company appointing them as BRLMs.

2. Memorandum of Understanding dated January 14, 2008 between the Company and the BRLMs.

3. Memorandum of Understanding dated January 4, 2008 between the Company and the Registrar to the Issue.

4. Escrow Agreement dated [•] between the Company, BRLMs, Escrow Collection Bank and the Registrar to the Issue.

5. Underwriting Agreement dated [•] between the Company, BRLMs, and the Syndicate Members.

6. Syndicate Agreement dated [•] between the Company, BRLMs and the Syndicate Members.

B. Documents for Inspection

1. Certified copies of the updated Memorandum and Articles of Association of the Company as amended from time to time.

2. Certificate of Incorporation of the Company dated May 13, 1993. Fresh Certificate of Incorporation of the Company dated April 22, 2002.

3. Shareholders' resolution dated January 14, 2008 in relation to this Issue and other related matters.

4. Resolutions of the Board of Directors of the Company dated January 14, 2008 in relation to this Issue and other related matters.

5. The report of M. P. Chitale & Co., Chartered Accountant, the statutory auditors, dated January 15, 2008 prepared as per Indian GAAP and mentioned in this Draft Red Herring Prospectus together with copies of balance sheet and profit and loss account of the Company referred to therein.

6. Consent from the Auditors for inclusion of their names as the statutory auditors and of their reports on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.

7. The Tax Benefit Report dated December 21, 2007 from the Company's statutory auditors.

8. Consent of Directors, BRLMs, the Syndicate Members, Legal Advisors to the Issue, Registrars to the Issue, Escrow Collection Banker, Banker to the Issue, Bankers to the Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

9. Resolution of the Members passed at the Annual General Meeting held on September 28, 2006 appointing M.P. Chitale & Co., Chartered Accountant as statutory auditors for the year 2007-2008.

10. Agreement dated May 18, 2006, Board resolution dated March 29, 2006 and Shareholder Resolution dated May 16, 2006 in relation to the appointment and remuneration of Mr. Ashok M. Katariya, Chairman.

11. Agreement dated May 18, 2006, Board resolution dated March 29, 2006 and Shareholder Resolution dated May 16, 2006 in relation to the appointment and remuneration of Mr. Satish D. Parakh, Managing Director.

12. Board resolution dated October 1, 2005 and Shareholder Resolution dated September 30, 2006 in relation to the appointment of Mr. Sunil B. Raisoni, whole-time Director.

13. Due Diligence Certificate dated January 16, 2008 addressed to SEBI from the BRLM.

14. SEBI observation Letter Nos. [●] dated [●].

15. Initial listing application dated [●], 2008 and [●], 2008, for listing the Equity Shares of the Company on NSE and BSE respectively.

16. In principle listing approvals dated [●] and [●] issued by NSE and BSE respectively.

17. Tripartite Agreement dated [●], 2008 the Company, NSDL and the Registrar to the Issue.

18. Tripartite Agreement dated [●] 2008 between the Company, CDSL and the Registrar to the Issue.

19. IPO Grading Report dated [●], 2008 by [●].

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 the 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, hereby declare that all relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government or the guidelines issued by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, 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 or the Securities and Exchange Board of India Act, 1992 or Rules made there under or guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

_____ **Mr. Ashok M. Katariya**
(*Chairman*)

_____ **Mr. Satish D. Parakh**
(*Managing Director*)

_____ **Mr. Sunil B. Raisoni**
(*Executive Director*)

_____ **Mr. Prakash Karnik**
(*Non-Executive Director*)

_____ **Mr. Michael Pinto***
(*Independent Director*)

_____ **Mr. Milap R. Bhansali**
(*Independent Director*)

_____ **Mr. Anant D. Narain**
(*Independent Director*)

_____ **Mr. Sharad Abhyankar**
(*Independent Director*)

_____
Mr. Paresh C. Mehta
(*Vice-President – Finance and Accounts*)

Date: January 16, 2008
Place: Mumbai
**Signed through duly constituted power of attorney*

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