DRAFT RED HERRING PROSPECTUS
Dated: [●]
Please read Section 60B of the Companies Act, 1956
Draft RHP will be updated upon RoC filing
(100 % Book Building Issue)

NIRAJ CEMENT STRUCTURALS LIMITED

(Company Identification Number: U26940MH1998PTC114307)

(Originally incorporated in India as Niraj Cement Structurals Private Limited on April 1, 1998 under the Companies Act, 1956 and converted to Public Limited Company w.e.f. January 12, 2006.)

Registered Office: Niraj House, Sunder Baug, Opp. Deonar Depot, Chembur, Mumbai - 400 088

Tel. No.: +91-22-2551 3750/ 3541; **Fax No.:** +91-22-2551 8736; **Website:** http://www.niraj.co.in; **E-mail:** info@niraj.co.in

Contact Person: Mr. Soni Agarwal, General Manager - Finance and Compliance Officer

PUBLIC ISSUE OF 32,50,000 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING RS. [●] LAKHS (HEREINAFTER REFERRED TO AS "THE ISSUE") BY NIRAJ CEMENT STRUCTURALS LIMITED (HEREINAFTER REFERRED TO AS "NCSL" OR THE "COMPANY" OR THE "ISSUER"). THE ISSUE COMPRISES A RESERVATION FOR ELIGIBLE EMPLOYEES OF 3,25,000 EQUITY SHARES OF RS. 10/- EACH, AT THE ISSUE PRICE AND NET ISSUE TO THE PUBLIC OF 29,25,000 EQUITY SHARES OF RS. 10/- EACH (HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE WOULD CONSTITUTE 31.42% OF THE TOTAL POST ISSUE PAID-UP EQUITY CAPITAL OF THE COMPANY*

PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE 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 3 additional working days after such revision, subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision of Price Band and the revised Bid/Issue Period, if applicable will be widely disseminated by notification to Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager (BRLM) and at the terminals of the Syndicate.

The Issue is being made through the 100% book building process wherein upto 50% of the Net Issue to the public shall be offered on a proportionate basis to Qualified Institutional Buyers (QIBs). 5% of the QIB portion shall be available for allocation in a proportionate basis to Mutual Funds only. Further, not less than 15% of the net issue to the public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the net Issue to the public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Niraj Cement Structurals Limited, there has been no formal market for the shares of the Company. The face value of the shares is Rs. 10/- and the Issue Price is [●] times of the face value. The Price band (has been determined by the Company in consultation with the Book Running Lead Manager on the basis of assessment of market demand for the Equity Shares offered by 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 of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investment 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 offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risk 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 the SEBI guarantee the accuracy or adequacy of this document. **Specific attention of the investors is invited to the statement of "Risk Factors" beginning on page ix of the Draft Red Herring Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for, and confirms that the 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 the Draft Red Herring Prospectus is true and correct in all material respects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and there are no other facts the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the BSE and the NSE. We have received in-principle approval from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated (*) and (*) respectively. BSE shall be the Designated Stock Exchange.

Book Running Lead Manager to the Issue	Registrar to the Issue
Allbank Finance Limited **(Wholly owned Subsidiary of Allahabad Bank)** 2nd Floor, Allahabad Bank Building, 37, Mumbai Samachar Marg, Fort, Mumbai - 400023 Tel Fax No: 022-22677552 E-mail: ipo@mum.allahabadbank.co.in Website: www.allahabadbank.com Contact Person: Mr. Shiv Shankar	**Intime Spectrum Registry Limited** SEBI Registration No.: INR000003761 C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup (West) Mumbai - 400 078 Tel: +91-22-2596 0320; Fax: +91-22-2596 0329 Email: ncsl@intimespectrum.com Website: http://www.intimespectrum.com Contact Person: Mr. Sachin Achar

ISSUE PROGRAMME

ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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SECTION I - GENERAL

DEFINITIONS, ABBREVIATIONS AND TECHNICAL TERMS

Definitions and Abbreviations

Term	Description
"NCSL", "the Company" and "our Company", "We" or "us" and "our"	Unless the context otherwise require, refers to Niraj Cement Structurals Limited, a Public limited company incorporated under the Companies Act, 1956 having its registered office at Niraj House, Sunder Baug, Opp. Deonar Depot, Chembur, Mumbai – 400 088

Conventional / General Terms

Terms	Description
Articles / Articles of Association	Articles of Association of Niraj Cement Structurals Limited
Auditors	The Statutory Auditors of the Company. i.e. Mr. Ajay B. Garg, Chartered Accountant.
Board of Directors / Board	The Board of Directors of Niraj Cement Structurals Limited
Companies Act	The Companies Act, 1956, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Niraj Cement Structurals Limited, unless otherwise specified
Equity Shares	Equity Shares of the Company of face value of Rs. 10 each unless otherwise specified in the context thereof
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum/ Memorandum of Association	Memorandum of Association of Niraj Cement Structurals Limited
Non Residents	All eligible bidders, including eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI, who are not persons resident in India
NRIs/ Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, each such term as defined under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
Overseas Corporate Body / OCB	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 (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Person or Persons	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
Promoters	Mr. Vijay K. Chopra and Mr. Gulshan V. Chopra
Promoter group	Ms Asha V.Chopra and Ms Pooja G. Chopra
Registered Office	"Niraj House" Sunder Baug, Opp. Deonar Depot, Chembur, Mumbai – 400 088
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time
Stock Exchange(s)	BSE

U.S. GAAP	Generally Accepted Accounting Principles in the United States of America

Issue Related Terms

Terms	Description
Allotment	Issue of Equity Shares pursuant to the Issue to the successful Bidders as the context requires
Allottee	The successful bidder to whom the Equity Shares are being / have been issued.
Bankers / Escrow Bankers to the Issue	[■]
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto. An indication to make an offer during the Bidding Period by a prospective investor to subscribe to or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid Closing Date/ Issue Closing date	The date after which the members of the Syndicate will not accept any Bids for the Issue, which shall be notified in an English National Daily, a Hindi National Daily and Marathi Regional Newspaper, all with wide circulation.
Bid cum Application Form/ Bid Form	The form in terms of which the Bidder shall make an offer to subscribe the equity shares of the Company in terms of this Draft Red Herring Prospectus
Bid Opening Date/ Issue Opening Date	The date after which the members of the Syndicate shall start accepting Bids for the Issue, which shall be notified in an English National Daily, a Hindi National Daily and Marathi Regional Newspaper, all with wide circulation.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Draft Red Herring Prospectus
Bidding Period/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders may submit their Bids
Book Building Process	Book Building route as provided under Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made
BRLM/Book Running Lead Manager	Book Running Lead Manager to the Issue being Allbank Finance Limited
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares in the Book Building Process
Cap Price	The higher end of the Price Band, above which Issue Price will not be finalized and above which no Bids will be accepted
Co- Book Running Lead Manager	Allianz Securities Limited, Canara Bank (Merchant Banking Division)
Cut-off Price	The Issue Price finalized by the Company in consultation with the BRLM. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot the Equity Shares to successful Bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
Draft Red Herring Prospectus	This Draft Red Herring Prospectus filed with SEBI, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into amongst the Company, Syndicate Members, the Registrar, the Escrow Collection Bank(s) and the BRLM for collection of the Bid Amounts

	and for remitting refunds (if any) of the amounts collected to the Bidders
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue at which bank(s) the Escrow Account of the Company will be opened
First Bidder	The Bidder whose name appears first in the bid cum application form or revision form
Floor Price	The price advertised by the Company prior to the Bid/Issue Opening Date, below which the Issue Price will not be finalized and below which no Bids will be accepted
Issue Price	The final price at which the Equity Shares will be allotted in terms of the Red Herring Prospectus, as determined by the Company in consultation with BRLM on the Pricing Date
Issue Account / Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date
Issue Period	The period between the Bid / Issue Opening Date and Bid / Issue Closing Date including both these dates
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid, being 10% to 100% of the Bid Amount.
Members of the Syndicate	The BRLM and the Syndicate Members
Mutual Fund portion	5% of QIB portion or 73,125 Equity shares available to allocation to Mutual Funds only, out of QIB portion.
Non-Institutional Portion	The portion of this Issue being at least 15% of the Net Issue Size consisting of 4,38,750 Equity Shares of Rs. 10 each aggregating Rs.[■] lakhs, available for allocation to Non Institutional Bidders.
Non-Institutional Bidders	All Bidders that are not eligible Qualified Institutional Buyers for this Issue, including affiliates of BRLM and Syndicate Members, or Retail Individual Bidders and who have bid for an amount more than Rs. 100,000.
Pay-in-Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	Means: i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date; and ii) with respect to QIBs, whose Margin Amount is 10% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date.
Price Band	Being the price band of a minimum price of Rs. [■] per Equity Share (Floor Price) and the maximum price of Rs. [■] per Equity Share (Cap Price) (both inclusive), and including revision thereof.
Pricing Date	Means the date on which the Company, in consultation with the BRLM, finalizes the Issue Price
Prospectus	The Prospectus, 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/ Issue	Initial public offering of 32,50,000 equity shares of Rs. 10/- each at a price of Rs. [■] for cash aggregating to Rs. [■] lakhs (hereinafter referred to as the "Net Issue") and a reservation for eligible employees of 3,25,000 equity shares of Rs. 10/- each at the Issue Price. The issue would constitute 31.42 % of the fully diluted post issue paid up equity capital of the company.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Bid / Issue Opening Date
QIB Portion	Consists of 14,62,500 Equity Shares of Rs. 10 each aggregating at a price of Rs. [■] for cash aggregating Rs. [■] lakhs being at least 50% of the Net Issue, available for allocation to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only.

Red Herring Prospectus or RHP	Means the document issued in accordance with Section 60B of the Companies Act and does not have complete particulars on the price at which the Equity Shares are offered and the size of the Issue. It carries the same obligations as are applicable in case of a Prospectus and will be filed with RoC at least three days before the Bid/ Issue Opening Date. It will become a Prospectus after filing with RoC after the pricing and allotment
Registrar/Registrar to the Issue	Registrar to the Issue being Intime Spectrum Registry Limited
RoC / Registrar of Companies	Registrar of Companies, Maharashtra situated at 100, Everest, Marine Lines Mumbai-400002.
Retail Portion	Consists of 10,23,750 Equity shares of Rs. 10 each aggregating Rs. [■] lakhs, being at least 35% of the Net Issue, available for allocation to Retail Individual Bidder(s).
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have made their bid for Equity Shares for a cumulative amount of not more than Rs. 100,000.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of the Bid options as per their Bid-cum-Application Form and as modified by their subsequent Revision Form(s), if any.
Syndicate Agreement	Agreement to be entered into amongst the BRLM, Syndicate Member(s) and the Company in relation to the collection of Bids in the Issue
Syndicate Members	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Members are appointed by the BRLM and in this case, being [*]
TRS or Transaction Registration Slip	The slip or document registering the Bids, issued by the Syndicate Members to the Bidder as proof of registration of the Bid on submission of the Bid cum Application Form in terms of this Draft Red Herring Prospectus
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The agreement dated (*) 2007 among the members of the Syndicate, the Registrar to the Issue and our Company.
VCF/Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

Glossary of Technical and Industry Terms

BOQ	Bill of Quantities
BOT	Build Operate Transfer
BOOT	Build Own Operate Transfer
CARE	Credit &Analysis Research Ltd , credit rating agency
CMIE	Centre for Monitoring Indian Economy
CRISINFAC	CRIS INFAC Industry Information Service, a brand of CRISIL Research & Information Services Limited
DRE	Dispute Review Expert
EMD	Earnest Money Deposit
FRL	Finished Road Level
IN SITU	In place
MoRTH	Ministry of Road, Transport and Highways
NRRDA	The National Rural Roads Development Agency
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
NOC	No Objection Certificate
PMGSY	The Pradhan Mantri Gram Sadak Yojana
R & D	Research and Development
RCC	Reinforced Concrete Cement
SSKI	S.S.Kantilal Ishwarlal Securities PrivateLimited

Abbreviations of General Terms

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
EPS	Earning Per Share
EGM	Extraordinary General Meeting
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors (as defined under FEMA (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
GoI	Government of India
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P. A.	Per Annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India
RoC	Registrar of Companies, Mumbai, Maharashtra
ROE	Return on Equity
RONW	Return on Net Worth
Rs.	Rupees
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
Sec.	Section
US	United States of America
USD/ US$/ $	United States Dollar

SECTION II - GENERAL

CERTAIN CONVENTIONS; USE OF MARKET DATA

In this Draft Red Herring Prospectus, all references to "India" are to the Republic of India, all references to "Rupees" "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.

References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words "Lakh" or "Lac" means "100 thousand" and the word "million" or "mn" means "10 lakh" and the word "crore" means "10 million" or "100 lakhs" and the word "billion" means "1,000 million" or "100 crores".

Throughout this Draft Red Herring Prospectus, all figures have been expressed in Lakhs unless otherwise stated.

Any percentage amounts, as set forth in "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of the financial statements prepared in accordance with Indian GAAP and wherever not covered are declared by the company .

In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off

Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our financial statements prepared and restated in accordance with Indian GAAP, the Companies Act and SEBI Guidelines included elsewhere in the Draft Red Herring Prospectus. We have no subsidiaries. Accordingly, financial information relating to us is presented on a non-consolidated basis. Our fiscal year commences on April 1 and ends on March 31.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in the 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 the 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.

For additional definitions, see the section titled 'Definitions and Abbreviations' on page ii of the Draft Red Herring Prospectus. In the section titled 'Main Provisions of Articles of Association of the Company' beginning on page 171 of the Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of the Company.

Use of Market Data

Unless stated otherwise, macroeconomic, industry and market data used throughout the Draft Red Herring Prospectus has been obtained from industry publications including the following:

_ CRIS INFAC : Roads Update- September 2006 and Construction Annual Review-December 2006 ;
_ Websites of NHAI, RBI , PLAN Documents, CARE Budget Analysis Report March-2007,
_ CMIE Monthly reviews , SSKI Infrastructure Research report December,2006

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 the Company believes market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, Company representations, while believed by the Company to be reliable, have not been verified by any independent source.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “expect”, “estimate”, “contemplate” “anticipate”, “intend”, “may”, “shall”, “will”, “should”, “plan”, “project”, “aim”, “believe” “will likely result”, “will continue”, “will pursue” “seek to”, “goal”, “objective”, “future”, or other words or phrases of similar import. Similarly, statements that describe our objectives, strategy, plans or goals are also forward-looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about the Company 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 the expectations include, among others:

- General economic and business conditions;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Increasing competition in and the conditions of our customers and the infrastructure and construction industry;
- Increases in labour costs, raw materials prices, freight rates, prices of plant & machineries and insurance premia;
- Manufacturers’ defects or mechanical problems with our plant & machineries;
- Changes in the value of the Indian rupee and other currencies;
- Cyclical or seasonal fluctuations in the operating results due to prevailing market conditions;
- Amount that we are able to realize from clients;
- Changes in laws and regulations that apply to our customers and the infrastructure and construction industry;
- Allocation of funds by the government or government controlled authorities;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighbouring countries or acts of international terrorism;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

For further discussion of factors that could cause Company’s actual results to differ, please see the section entitled “Risk Factors” included in this Draft Red Herring Prospectus. In the light of inherent risks and uncertainties, the forward looking statements, events and circumstances discussed in this Draft Red Herring Prospectus might not occur and are not guarantees of future performance. By their nature, certain market 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.

Neither the Company, its Directors and Officers, any member of the Issue Management Team nor any of their respective affiliates has any obligation 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, for purposes of the Issue, the Company and the Book Running Lead Manager to the Issue will ensure that investors in India are informed of material developments relating to the business until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION III - RISK FACTORS

An investment in equity involves a higher 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. Any of the following risks as well as other risks and uncertainties discussed in this Draft Red Herring Prospectus could have a material adverse affect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication or other of any of the risks described in this section. The risks have been determined on the basis of their materiality, the following factors have been considered for determining the materiality:

a. Some events may not be material individually but may be found materially collectively;
b. Some events may have material impact qualitatively instead of quantitatively;
c. Some events may not be material at present but may have material impacts in future.

INTERNAL RISK FACTORS:

1. *There are certain criminal proceeding pending against our Directors which if determined against them could adversely affect our business*

The Company has taken two JCB machines JCB Earth Movers ("JCB") on rental basis as per the terms and conditions contained in the agreement dated April 30, 2004. There was a dispute in period of deployment of equipment as per the terms of contract. The Company had issued eleven cheques on various dates drawn on Canara Bank, Turbhe, which were not honoured on due dates as they were not due and payable. JCB sent a legal notice to the Company dated August 9, 2005 to pay the amount of Rs.24,79,084 within 15 days of receipt of the notice. The Company did not pay the amount of Rs.24,79,084 and thereafter, JCB filed case (no. 3272 of 2005) in the Court of Judicial Magistrate First Class, Vashi at CBD, Navi Mumbai against the Company. The matter was posted for hearing on November 20, 2006 when the Company was ordered to file an Affidavit in reply and the matter has been adjourned for further hearing to April 16, 2007.

2. Summary of Litigations, Disputes/ Defaults pending against the Company/Group Companies:

Cases/Notices	**Particulars of the cases**	**No. of cases**	**Amount involved where quantifiable (Rs. Lakhs**
Cases filed against the Company	1) Indian Infrastructure Equipment Ltd. Case filed under section 433 & 434 now disposed and referred to Arbitration 2) Bombay JCB Case filed under section 138 of Negotiable Instrument Act 1881	1 1	23.61 24.44
Cases filed by the Company	Nil	Nil	Nil
Cases against Group Companies	Nil	Nil	Nil
Cases filed by Group Companies	Nil	Nil	Nil
Notices against the Company	Swiss Consultancy under section 138	1	3.00
Notices against Group Company	Nil	Nil	Nil
Disputed payment by the Company	1. M/s. Deepak Menghnani 2. Mr. Shamsher Singh of Vijay Construction	Nil	Not Quantified 14.00

For further information, please refer "Outstanding Litigations and Material Developments" on page no.131 of this Draft Red Herring Prospectus.

3. **We have defaulted on payment of interest and repayment of loan to various Banks / financial institutions during 2004-05 and 2005-06 amounting to Rs. 85 lakhs and Rs. 389 lakhs respectively.**

We have defaulted on payment of interest and repayment of loan to various Banks / financial institutions during 2004-05 and 2005-06. As of now, there are no overdues with these various institutions. Further, we have taken a Demand Pro Note (DPN) facility for Rs. 150 lakhs from Canara Bank against the comfort letter of L& T, which was repayable by December 31, 2005 as per the terms of the sanction. However the Bank has extended the time upto 30.06.2007 and the outstanding balance as on 24.02.2007 is Rs 83.73 lakhs.

4. **We are a sub-contractor and our receivables are dependent upon the relationship between the principal contractor and project owner.**

We are a sub contractor and our receivables are billed to the principal contractor who in turn claims the same from the project owner(s). Generally, one of the terms of sub-contract is that the principal contractor will make payment to us only on receipt from the project owner. We have been assigned sub-contract from L&T Limited and Ashoka Buildcon Limited in December 12, 2001 and June 9, 2004 respectively. L&T Limited, the principal contractor (NHAI – being the project owner), had assigned us a project for executing widening to 4/6 lanes and strengthening of existing two lane carriageway of NH-60 (31.00 kms to 53.41 kms) in the State of Orissa. The total original sub-contract value was Rs. 8379.49 lakhs. Another project which was assigned to us by Ashoka Buildcon, the principal contractor (MMRDA – being the project owner) for widening and construction of LBS Marg from Sion to Kanjumarg and Kanjumarg to Mulund check naka (0.00 km to 11.156 kms and from 11.156 kms to 18.831 kms respectively). This total original sub-contract value of this project was Rs. 5376.83 lakhs. We are currently executing these projects. An amount of Rs. 605 lakhs is receivable from Ashoka Buildcon as on December 31, 2006 as Ashoka Buildcon have not received payment from MMRDA.

5. **Risk of Receivables puts a restrain on our ability to manage our cash flows.**

Significant proportions of our sales are on credit, which always carries a business risk of any receivable turning bad. We have Rs. 3290.36 Lakhs as receivables for the year ended on March 31, 2006 that constituted around 46.97% of total revenues of Rs. 7004.46 Lakhs for the FY 2005-06. Further an amount of Rs. 1999.46 lakhs constituting 60.77% of total receivables and 28.44% of total revenue is receivable for a period exceeding 6 months as on March 31, 2006. We cannot assure you that we would be in a position to recover these receivables and in future also, prevalence of such a scenario could materially adversely affect our business and financial operations.

6. **Average Collection period is comparatively high. This reduces the return on capital for shareholders.**

The average period for which the sale invoice remains outstanding is 90 days, which is mainly on account of sub-contracting. Our receivables are dependent on the relationship between the principal contractor and project owner i.e. dependent on full realisation of agreed amount by the principal contractor from the project owner, which increases our realisation risks. In the past, the principal contractor viz. L&T Limited had a dispute with the project owner viz. NHAI and the payment terms of sub-contracting were dependent on L&T receiving the payment from NHAI. Consequently, L&T had not paid our dues amounting to Rs. 3060.27 lakhs and are pending as on December 31, 2006. We cannot assure you that these receivables will be fully or partly recovered from L&T. In that scenario, our business and financial operations could adversely affect.

7. **Our business has experienced growth in the past, which we may not be able to sustain in the future. Revenues and profitability are dependent on a number of factors, and may vary significantly from quarter to quarter. Therefore, historical financial results may not be an accurate indicator of future performance.**

Our revenues have grown from Rs. 2997.45 lakhs in FY 2003-04 to Rs. 7004.56 lakhs in FY 2005-06, which shows CAGR of 44.56%. There were variations in our profits after tax during last three years as during 2003-04, profit after tax was Rs. 263.18 lakhs, which decreased to Rs. 212.08 lakhs during 2004-05 and then increased to Rs. 794.14 lakhs during 2005-06 showing an increase of 274.45%. We may not be able to sustain such growth in revenues and profits or maintain a similar rate of growth in the future.

Further, we intend to expand our operations significantly and also proposing to handle projects under BOT/ BOOT basis for which we do not have the relevant experience. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. Further, as we scale-up and diversify our operations, we may not be able to execute our projects efficiently, which could result in delays, increased costs and diminished quality and may adversely affect our reputation. Any inability to manage our growth may have an adverse effect on our business and results of operations. Growth has varied from year to year in recent years and may vary significantly in the future from year to year.

8. **We have not entered into any definitive agreements to utilise the net proceeds of the Issue and the requirements of funds has not been appraised. The tangible asset to be acquired out of the proceeds of the Issue would be [■] % of the Issue size.**

We intend to use the net proceeds of the Issue for the purposes described in the section "Objects of the Issue' on page 22. The objects of the have not been appraised by any bank or financial institution. We have not entered into any definitive agreements to utilise the proceeds of the Issue. The deployment of funds as stated in the section titled "Objects of the Issue" appearing on page 22 is entirely at the discretion of our Board. All the figures included under the section "Objects of the Issue" are based on our own estimates.

Further, we have not obtained any third party appraisals in connection with our capital investments or working capital requirements. These are based on current conditions and are subject to changes in external circumstances or costs, or in other financial condition. Our estimates for capital investments have been based on various quotations received by us from suppliers or our long term working capital requirements may exceed which may require us to reschedule our project expenditure and may have an adverse impact on our business, financial condition and results of operations. We have also not formed any special purpose vehicles or joint ventures or identified any BOT / BOOT project(s). There can be no assurance that we will be able to identify special purpose vehicle or joint ventures in which we wish to or are able to invest.

9. **Our Company is yet to place orders for capital equipments as specified in the "Objects of the issue."**

We have not placed any orders for capital equipments, which we propose to purchase as part of our expansion project. Any delay in placing the orders for procurement of plant and machinery may delay implementation schedule. Such delays may also lead to increase in prices of these equipments further affecting the total cost.

10. **Expansion plans are dependent on Issue proceeds**

The proposed capital expenditure as specified under "Objects of the Issue' will be entirely funded through the proceeds of the issue. Any delay / failure in pubic issue process may disrupt the implementation of these proposed plans which could have a material adverse effect on our financial condition and results of our operations.

11. **Seasonality and weather conditions**

Our business operations may be adversely affected by severe weather, which may require us to evacuate personnel or curtail services and it may result in damage to a portion of our fleet of equipment or facilities resulting in the suspension of operations and may prevent us from delivering materials to our jobsites 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.

Our business is seasonal, as road construction works are generally not undertaken during monsoon and extreme weather conditions. Our Revenues and profitability are dependent on a number of factors, and may vary significantly from quarter to quarter because of various factors other than seasonality like general economic conditions, budgetary allocation and award of the tender. Therefore, historical financial results may not be an accurate indicator of future performance.

12. **Since in majority of our sub-contracts that we execute the Government or Government owned entities and any change in related government policies or regulations may affect our business and financial performance also.**

We get sub-contracts from the principal contractors who in turn get projects from project owners, who are government and other entities funded by governments. Any change in the governments' focus or the policy framework regarding private sector participation in infrastructure development and/or changes in budgetary allocation may adversely affect the business and results of company's operations. Further in certain cases, the delay in implementation of budgetary allocations, changes in external budgetary allocation or insufficiency of funds may also result in delay in receipt of payment against running bills account.

13. **Our construction contracts are dependent on adequate and timely supply of key raw materials at competitive rates. Costs of raw materials may fluctuate as they are market price movements, which are outside our control; Volatility in raw material prices could affect the operations and profitability.**

In our business, timely procurement of materials such as cement, steel, diesel, furnace oil, aggregate and bitumen, the quality of the material and the price at which it is procured, plays an important role in the successful execution of any project. We have not entered into any long-term supply contracts with our suppliers and for each project the supplier is finalized through the process of negotiation, considering the geographical location of the project and the lead-time in supply of the material. Transportation strikes by, for example 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. The raw materials required by us are subject to price fluctuations and are volatile and price sensitive commodity, which could affect us especially in cases where the contract prices are negotiated in advance. In case we are unable to procure the requisite quantities of raw materials well in time and at competitive prices, the performance of our business and results of operations may be adversely affected.

14. **The projects in hand as reflected in our order book may be delayed, cancelled or not fully paid off. This may severely affect our cash flows as well as profitability.**

Though the projects as reflected in our order book represent business that is considered firm, our order book does not necessarily indicate our future earnings and cancellation or change in scope or adjustment in schedules though not envisaged is possible. In case there are any changes in the project scope and/or schedule, the project may be delayed or may even be cancelled. In addition, even in projects where schedule of milestone payments is pre-decided, it is possible that contracting parties may default on amounts owed. Further, the execution of the project may also be affected due to factors outside our control or the control of our clients resulting in cancellations or changes in project scope and schedule. Due to the possibility of cancellations or changes in project scope and schedule for the above reasons, we cannot predict with certainty when and to what extent projects in hand will be performed. Thus any delay, cancellation or payment default may adversely affect our cash flow position, revenues and/or earnings.

15. **We have a high working capital requirement. In case there is insufficient cash flow to meet our requirement of working capital or pay our debts, there may be adverse effect on the results of our operations**

Our business demands substantial working capital in the form of fund and non-fund based working capital facilities. In our industry, it is a common practice to provide letters of credit, bank guarantees or performance bonds in favour of principal contractor / clients to secure obligations under contracts. Any delay in disbursement of funds from the Banks and Financial Institutions may limit our ability to enter into new contracts.

In a typical construction contract, the payments from clients are milestone based i.e. the payments are released on achieving certain milestones over the execution period of the contract. Therefore our working capital requirements may increase if, under certain contracts, payment terms do not include advance payments or have payment schedules that shift payments towards the end of a project. Due to various factors including delay in disbursement, if we are unable to finance our working capital needs or arrange other financing when needed, it may adversely affect our performance.

16. Sub-contracts are awarded following competitive bidding processes and as a result we may be required to lower the prices we charge for our services in response to competition from other players in Industry, which may adversely impact our operating revenue and profitability.

The sub-contracts are awarded following competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. We face intense competition from domestic construction companies who operate at the national level as well as with numerous smaller localized contractors / companies. Once the prospective bidders clear the technical requirements of the tender, the sub-contract is usually awarded based on price quoted by the prospective bidder. The nature of this process may cause us and other prospective bidders to lower prices for award of the tender, so as to maintain respective market share. As a result of this competition, we face margin pressure. Consequently, this could have a negative effect on our financial condition.

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

We are covered against certain risks by way of insurance. Our significant insurance policies are the contractor’s all risk policy in respect of a project and workmen’s compensation policy to protect against losses caused to workmen through accident. These policies are taken by the principal contractor or are debited to our account by the principal contractor. In addition we have obtained separate insurance coverage for motor vehicle risks, which may not be adequate to cover the current market price of the equipment. Also some of our assets may not be covered by Insurance.

In case of certain contracts, we are required to take insurance for the projects undertaken by us, which in some cases we have not obtained or such insurance policies have lapsed prior to the completion of the project and we have not renewed the same.

While we believe that the insurance coverage that we maintain would be reasonably 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. Consequently, loss if any arising out of uncovered risks would have to be borne by us and our results of operations and financial performance could be adversely affected.

18. Introduction of new and technologically better products by competitors can adversely affect our operations. We would be adversely affected if we fail to keep pace with technical and technological developments in construction industry.

Infrastructure construction is gradually moving towards 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 services. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipments obsolete, requiring substantial new capital expenditures and / or write-down of assets. Our failure to anticipate or to respond adequately to changing technical, market demands and / or client requirements could adversely affect our business and financial results.

19. We are subject to a penalty clause under the construction agreements entered into with our customers, for any delay in the completion and handover the project.

The industry in which we operate, the execution of contracts is time bound. Even the payments are linked to milestones to be achieved within the prescribed time frame. Our contracts generally carry a clause for levy of penalty in case of failure in meeting the milestones and/or completion of the project within the specified time on account of lapse on part of the company. However, at times due to circumstances beyond the control of the Company, there may be some delays in completing the projects, which may lead to payment of damages.

Our obligations under the contractual arrangements to pay these penalties require us to complete these constructions on time. We cannot assure you that we will always finish the construction on time. Any such inability of ours to complete these constructions in a timely manner without a reasonable cause could adversely affect our business, financial condition and results of operations.

20. **Certain projects may require us to undertake additional work and incur cost, which is more than the contract price specified by the client. Our failure to recover the claims may have an adverse impact on our financial condition and profitability**

In cases where the client enhances the pre-stated scope of work or the work is delayed due to factors beyond our control, we have to incur additional cost on account of labour, raw material etc to execute the additional work under the contract. We may not be reimbursed for the additional cost incurred by us, which is in excess of the contract price. The claim may be subject to arbitration and legal proceedings, which may involve cost and time on our part. In case we are not able to recover the claims our earnings could be reduced to that extent.

21. **We are smaller in size compared to the industry leaders in road projects, which can act as a deterrent in being awarded large projects.**

We have been working on contracts for NHAI as sub-contractors to the principle contractors who are major players in infrastructure construction domain. Going forward, small contractors might not be able to bid on their own. The projects being awarded by NHAI are increasingly being biased towards bigger size contractors along with requirement for stronger pre-qualification criterion and we might have to remain content with executing the contracts as contractors or at best bidding along with a major player in the industry with a minority equity stake thus affecting our positioning and financial performance.

22. **The successful completion of projects will also depend on our joint venture partners and is therefore contingent on their performance.**

While bidding for larger scale projects, we generally form alliances with various companies by entering into joint venture agreements with them to meet pre-qualification criteria like capital adequacy, technical competence etc and also to ensure successful execution of the project. In case, we are not able to identify suitable partner to forge alliance to meet such requirement, we may lose out an opportunity to bid.

Generally in joint venture contracts, liability of joint venture partners is joint and several. In case of contracts, which are being executed on joint venture basis, we claim the benefit flowing to joint venture to the extent of our share in profits determined as per the terms of agreement. However it also bears the risk of becoming liable for non-completion of contract due to default of joint venture partner. This may have an adverse effect on our operations.

23. **The sub-contracts procured by us from principal contractors where project owner, being Government or Government owned entities, are subject to clause relating to unilateral termination for convenience.**

One of the conditions in the contracts awarded by the Government or Government owned entities (project owners) to principal contractors that the project owner has the right to terminate the contract for convenience, without assigning any reason, at any time after providing notice to the contractor, which may vary from 30 to 90 days. All the terms and conditions of the main contract becomes applicable to sub-contract also and in such a scenario, our company’s performance and profitability can be adversely affected.

24. **Our operations and our work force are exposed to various hazards.**

There are certain unanticipated or unforeseen risks that may arise due to adverse weather and geological conditions such as storm, tempest, hurricane, lightning, flood, landslide, rockslide and earthquake, specification changes and other reasons. Additionally, our operations are subject to hazards inherent in providing architectural and construction services, such as risk of equipment failure, impact from falling objects, collision, 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. Although we have taken sufficient insurance coverage to reduce the damage or losses (if any) from such circumstances, we cannot assure you that we will not bear any liability as a result of these hazards.

25. **Work stoppages and other labour problems could adversely affect our business.**

We operate in a labour-intensive industry and hire casual labour in relation to specific projects. If we are unable to negotiate with the labour unions on acceptable terms, it could result in strikes, work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. In addition, we may not be able to procure required casual labour for our existing or future projects. These factors could adversely affect our business, financial position, results of operations and cash flows.

26. **We are dependent on a number of key personnel, and the loss of or our inability to attract or retain such persons could adversely affect us.**

Our performance depends largely on the efforts and abilities of our senior management and other personnel, including our present officers. The loss of the services of any key management personnel would have a material adverse impact on our business. We are dependent on members of our senior management team and the loss of the services of these individuals could adversely affect us. Our performance also depends on our ability to identify, attract and retain talent such as engineers, architects, project managers, and if we are unable to attract or retain such persons as required, our business could be adversely affected.

27. **We have issued Equity Shares to certain investors in the last 12 months prior to the date of this Prospectus at a price, which may be at variance with the Issue price to be determined through the book building process.**

Date of Allotment and date on which fully paid up	Number of equity shares of Rs. 10 each	Face Value	Issue Price
April 23, 2006	1093300	10	76.78
May 30, 2006	600000	10	90.83
May 31, 2006	18000	10	100.00
June 9, 2006	155000	10	94.81
November 20, 2006	226500	10	115.14
Total	**20,92,800**		

For more details please refer to section titled "Capital Structure" on page 14 of this Draft Red Herring Prospectus. The price at which the above Equity Shares have been issued prior to the filing of this Prospectus may be at variance with the Issue Price that will be determined pursuant to the Book Building process.

28. **We are not the registered owner of 'Niraj' trademark. We may face an increasing threat of litigation for use of the name 'Niraj'. These litigations may have an effect on our financial performance.**

We have applied for the registration of 'Niraj' trademark with the Registrar of Trademark, Mumbai and are hopeful of being awarded the same. There can be no assurance that the Registrar of Trademark will grant registration of the 'Niraj' trademark. The denial of the registration of the 'Niraj' trade mark might have an adverse effect on our business, financial performance and the market price of Equity Shares. Intellectual Property rights and our ability to enforce them may be unavailable or limited in some circumstances. We may also face challenge for the validity or scope of this application or the trademark. In case of failure to get the trademark registered we may need to change our logo. This could have an adverse effect on our business, financial condition and results of operations.

29. **Post this issue, our Promoter Group will continue to retain control in our Company which will allow them to influence corporate actions even after the completion of the Public Issue.**

Members of our promoter group will continue to hold 42.05 % of our post issue equity share capital. As a result the Promoter Group will have the ability to exercise significant influence over all matters requiring shareholder's approval, including election or termination of directors, timing and distribution of dividends, sale of assets and approval of any significant corporate transaction. Such concentration of ownership may also have the effect of delaying, deferring or preventing a change in control of the company, preventing a merger, consolidation, takeover or discouraging 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.

Also as long as the Promoters continue to own Equity Shares representing more than 50% of the voting strength in our Company, they will be able to determine the outcome of all matters requiring a simple majority in the shareholders meeting. As significant shareholders, the promoter group may take actions, which may conflict with the company's interests or the interests of the minority shareholders.

30. **The market price of our Equity Shares post listing may be adversely affected by additional issues of equity or equity linked securities by the Company or by sale of a large number of our Equity Shares by our significant shareholders**

Any future issuance of shares by the company may be dilutive on promoter control as well as investors / shareholders rights. This may also adversely affect the market price of our Equity Shares. The perception that any such issue or secondary sale may occur may also adversely affect the market price of our Equity Shares.

31. **We require certain regulatory approvals in the ordinary course of our business, and the failure to obtain them in a timely manner or at all may adversely affect our operations.**

We require certain regulatory approvals, sanctions, licences, registrations and permissions for operating our businesses. In connection with our business, we may require such approvals or their renewal from time to time. We may not receive such approvals or renewals in the time frames anticipated by us or at all, which could adversely affect our business.

32. **We have made applications for renewal / approval with various regulatory authorities, which are still pending and if any permission are not received, it may affect our business operations. The pending applications are:**

- Renewal application for registration under Factories Act, 1948 to employ up to 50 workers on any day filed with the Chief Inspector, since the current registration expires on December 31, 2006.

Also, we are yet to identify the land where the RMC / Paver block plants would be located and are yet to apply for the requisite permissions / clearances for setting up the RMC/ paver block plants. Any delay in receiving any of the clearances may affect the benefits that would be derived from the investment.

For details of various government approvals, licenses, registrations please refer to section titled "Government Approvals / Licensing Arrangements' appearing on page 134.

33. **We avail certain tax benefits under the provisions of Income Tax Act, which if withdrawn, may adversely affect our financial condition and results of operations.**

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include 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. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability. Currently, we have been claiming certain tax credits under Section 80-IA of the Income Tax Act, relating to infrastructure development projects, which decrease the effective tax rates compared to the statutory tax rates. The Section 80 IA of the Income-Tax (l-T) Act grants a tax holiday to companies developing infrastructure. In the latest Budget presented for the year 2007-08 , the government issued a clarification on this Section. It said that the benefits of this Section are not available to companies, which just execute a works contract. And more than this, the clarification has been issued with retrospective effect from 2000. Accordingly we not only have to pay taxes at full rate going forward, but also will have to rework our past-tax liabilities from 2000-01 financial years and make provision for the same . The non-availability of these tax incentives could adversely affect our financial condition and results of operations.

34. We do not have a firm arrangements for the Consumption / Marketing of finished products

We had consumed 30,000 Cubic Meters of RMC in the Financial Year 2005-06 in all our projects, whereas the RMC batching plant capacity that we intend to set up as per the Objects of the Issue is equivalent to approximately 1,44,000 Cubic Meters of RMC in a year. No arrangements have been made to sell the excess expected production as we are relying on an increase in captive consumption and may also resort to merchanting or hire of capacities so as to productively utilize the capacities and equipments on a need basis. If we fail to sell the excess production our existing operations and in turn financial position could be affected adversely. The additional capacity and Equipment base would allow us to bid and be eligible for tenders wherein technical capacity is pre qualification parameter.

35. We derive 95% of our revenues from sub contracts & main contracts to top 5 clients. Our company can be said to be reliant on the orders from top 5 principal contractors / clients.

The top 5 principal contractors contribute almost 95% of our Company's total revenues. Any delay in completion of existing orders or satisfactory execution of project would lessen the possibility of getting repeat orders which in turn could have material adverse impact on the operations of our Company.

36. We have been late in filing Certain Restrictive Covenants of the Lenders as per the Sanction Letters require prior approval of Lenders.

The covenants in borrowings from banks and financial institutions, among other things, require us to obtain the approval of these banks/institutions for various activities, including, amongst others, alteration of our capital structure or our memorandum or articles of association, undertaking new projects, undertaking any merger/amalgamation/restructuring, change in the shareholding pattern of our Directors, principal shareholders and promoters. Though, we have received approval from our lenders for this Issue, these restrictive covenants may also affect some of the rights of our shareholders, including the payment of dividends. For details of these restrictive covenants, see the section titled "Financial Indebtedness" beginning on page 76 of this Draft Red Herring Prospectus.. We cannot assure you that our lenders will provide us with these approvals in the future.

37. The Registered Office of our Company together with our factory are not owned by us.

The properties used by our Company are owned by Mr. V K Chopra, our promoter and the current Chairman and Managing Director. Further, in terms of the leave and license agreements executed between Mr V K Chopra and the Company, the agreement can be further extended for such periods and on such terms as may be mutually agreeable. However in case of non-renewal of these leave and License agreement our business operations may get affected.

38. We have entered into certain related party transactions

We have entered into transactions with certain promoter and promoter group companies and affiliates. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Further more, it is likely that we may 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.

39. **We have contingent liability of Rs. 1956.56 lakhs as on December 31, 2006, brief details of which are as under:**

Particulars	**As on 31/12/06 Amount in Lakhs**
Bank guarantee issued by the Banks on behalf of the Company	1,926.56
Corporate guarantee issued by the company on behalf of its associates	30.00
Claims against company not acknowledged as debts (As certified by the Management)	-
Total	**1,956.56**

40. The company has issued a Corporate guarantee on behalf of its associates to the extended of Rs. 30.00 Lakhs. The details are as follows: -

S.No	**Amount of Guarantee (Rs. in Lakhs)**	**On Behalf of**	**To whom**	**Date of Resolution under section 372A**	**Date of Guarantee**
1	30.00	Asha Trading	Canara Bank, Turbh Branch, Navi Mumbai	19.08.2006	21.08.2006

41. **Losses by Promoter Companies / Group Company Joint Ventures.**

The following Promoter Companies / Group Companies have reported a loss for the financial year ended on March 31, 2006.

(Rs. in Lacs)

Name of the Promoter Company/ Group Company	**Amount of Loss**
Asha Trading Company	(1.51)

42. ***Changes in the scope of work may result in disputes, which could have a material adverse impact on the profits from that project.***

In certain cases, we may be required to perform additional work on a project that is beyond the stated scope of the contract. We may not receive any remuneration for the same, or payments in respect of the same may be delayed or inadequate, which may have a material adverse effect on our profits.

Further, in certain contracts we are required to execute extra or change order work as directed by the client even if the scope or price of the work to be performed is not settled at the time of execution of the contract. This process may result in disputes and may result in delayed or inadequate payments, or in payments not being made at all. This could have an adverse effect on our profits.

43. ***We plan to bid for Build, Operate and Transfer (BOT) projects. Our inability to manage these BOT projects may adversely affect our business.***

As part of our strategy to focus on large infrastructure construction projects, we plan to selectively bid for BOT projects in the future. In addition, we expect that the overall proportion of projects that are offered on a BOT basis will increase over time due to the government's increasing reliance on private participation in infrastructure investment. The risks associated with undertaking BOT projects can be substantial, including the risk of incorrect forecasts at the bid stage concerning revenues to be derived from the use of the constructed facility and the risk of extended exposure to fluctuating economic conditions. Reduced profitability or losses from BOT projects that do not perform as per our forecast could have a material effect on our results of operations. Additionally, growth in BOT infrastructure projects may require increasing private sector participation. Investment by the private sector in such projects is dependent on the potential returns from such projects and is therefore linked to government policies relating to public-private participation and the sharing of risks and returns from such projects. Any changes in government policies that may lead to a reduction in capital investment in the infrastructure sector by the private sector could have a material adverse impact on our business and our results of operations. Moreover, we have not yet undertaken any BOT projects on our own. Any inability to execute or handle BOT projects may adversely affect our business. Additionally, the government has also not awarded any BOT project since the new model concession agreement was finalised in March 2006 on account of various factors including problems associated with land acquisition. Our ability to be able to enter into BOT projects will also be impacted in the event the government does not settle such issues.

EXTERNAL RISK FACTORS:

1. ***Our business could be adversely impacted by economic, political and social developments in India and particularly in the regional markets that we construct, develop and sell projects.***

   Our performance and growth are dependent on the health of the Indian economy and in particular the economies of the regional markets we serve. These economies 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 these economies could adversely affect our prospective customers, which in turn would adversely impact our business and financial performance and the price of our Equity Shares.

2. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact its financial condition.***

   According to a report released by RBI, India's foreign exchange reserves totalled over US$151.62 billion as of March 31, 2006. Reserves have declined recently and may have negatively impacted the valuation of the rupee. Further declines in foreign exchange reserves could adversely impact the valuation of the rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance and the market price of the Equity Shares.

3. ***After this Issue, the price of Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.***

   The prices of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors, and the perception in the market about investments in the construction sector; adverse media reports about us or the Indian construction sector; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalisation and deregulation policies; and significant developments in India's fiscal regulations. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue, or that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.
   The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

   The Issue Price of our Equity shares may not be indicative of the market price of our Equity Shares after the Issue as the market price of our Equity shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. There is no guarantee that you will be able to resell your shares at or above the Issue Price.

4. ***Stability of policies and political situation in the country***

   Any change in government policy towards infrastructure development or any global, political and economic factors that are outside the control of the company like interest rates, rates of economic growth, liberalization policies of governments, inflation, deflation etc may have an adverse effect on the operations and results of the company. Any political instability could delay the reform process and may diminish investor's confidence in the Indian markets, which in turn would adversely affect the market for our shares.

5. ***Terrorist attacks or acts of war may seriously harm our business.***

   Terrorist attacks may cause damage or disruption to our company, our employees, our facilities and our customers, which could impact our results from operations. Any future terrorist attacks, the national and international responses to terrorist attacks, or other acts of war or hostility may cause greater uncertainty and cause our business to suffer in ways that we currently cannot predict.

6. ***Future issues or sales of our Equity Shares may affect the trading price of the Equity Shares.***

   Future issue of Equity Shares /convertible instruments by us or the disposal of Equity Shares by any of the major shareholders or the perception that such issues or sales may occur may affect trading price of the Equity Shares. Other than the lock-in of pre-issue capital as prescribed under SEBI Guidelines, none of our shareholders are subject to any lock-in arrangements restricting their ability to issue Equity Shares or the Shareholders' ability to dispose of their Equity Shares, and there can be no assurance that any shareholder will not dispose of, encumber, or pledge, its shares. For details of lock in of pre-issue Equity Share capital and Promoters' contribution please see the section titled "Capital Structure" beginning on this Draft Red Herring Prospectus.

7. ***Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.***

   India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. For example, as a result of drought conditions in the country during fiscal 2003, the agriculture sector recorded a negative growth of 5.2%. The erratic progress of the monsoon in 2004 has also adversely affected the sowing operations of certain crops. Further prolonged spells of rainfall below normal levels or other natural calamities could have a negative impact on the Indian economy, adversely affecting our business and results of operations.

8. ***You will not be able to sell or transfer any of our Equity Shares till the date of listing of our Equity Shares.***

   Under the SEBI Guidelines, we are required to allot Equity Shares within 15 days of the Bid/Issue Closing Date. Consequently, Equity Shares purchased in the Issue will not be credited to your demat account until approximately 15 days after the Bid/Issue Closing Date. Further, you will not be able to sell or otherwise transfer such Equity Shares till the date of listing of our Equity Shares on the Stock Exchanges. We shall be liable to pay interest at 15% per annum, 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.

Notes to Risk Factors:

1. Public issue of 32,50,000 equity shares of Rs. 10/- each for cash at a price of Rs. [*] per equity share aggregating Rs. [*] lakhs (hereinafter referred to as “the Issue”) by Niraj Cement Structurals Limited (hereinafter referred to as “NCSL” or the “Company” or the “Issuer”). The Issue comprises a reservation for eligible employees of 3,25,000 equity shares of Rs. 10/- each, at the issue price and net issue to the public of 29,25,000 equity shares of Rs. 10/- each (hereinafter referred to as the “net issue”). The issue would constitute 31.42% of the total post issue paid-up equity capital of the company.
2. The Net worth of our Company as per the financial statements of the Company before the Public Issue is 2,800.27 lakhs as on March 31, 2006 and Rs. 4,262.64 Lakhs as on December 31, 2006 and the size of the Issue is Rs. [■] lakhs.
3. The average cost of acquisition of Equity shares of the Promoters is Rs. 15.59 per share. The Book value per share as on March 31, 2006 is Rs.38.07 and as on December 31 2006 is Rs. 62.67 per share of Rs.10/- each.
4. The size of the Present Issue – Public Issue of 32,50,000 Equity Shares of Rs. 10/- each at a price of Rs. [■] per Equity Share aggregating to Rs. [■] Lakhs.
5. This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Net Offer to Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. Further, not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

6. None of the other Ventures of the Promoters have business interests / other interests in the Issuer Company except as disclosed in the “Related Party Information” on page 97 of this Draft Red Herring Prospectus.
7. No loans and advances have been made to any person(s) / Companies in which the Director(s) of the Company are interested except as stated in the Auditors Certificate. For details please refer to section titled “Financial Information of the Company” on page 101 of the Draft Red Herring Prospectus.
8. Details of “Related Party Information” as on page 97 on this Draft Red Herring Prospectus.
9. The Investors are advised to refer to the Para on “Basis the for Issue Price” on page 29 of this Draft Red Herring Prospectus before making any investment in this Issue.
10. Investors may note that in case of over-subscription, in issue allotment to non institutional and retail portion allotment shall be on proportionate basis for more information, see “Basis of Allotment” beginning on page 165 of this Draft Red Herring Prospectus.
11. The Investors may contact the Book Running Lead Manager to the Issue or the Compliance Officer for any complaint / clarification / information pertaining to the Issue, who will be obliged to attend to the same.
12. No part of the Issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associate or Group Companies.
13. Trading in Equity Shares of our Company for all investors shall be in dematerialised form only.
14. Investors may contact the BRLM for any complaints, information or clarifications pertaining to the Issue.
15. Under subscription in any category except in the QIB portion will be allowed to be met with spill over from any category.

SECTION IV - INTRODUCTION

Summary of Industry and Business

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Draft Red Herring Prospectus, including the information contained in the chapters titled “Risk Factors” and “Financial Statements” and related notes beginning on page 101 of the Draft Red Herring Prospectus before deciding to invest on our Equity Shares.

Industry Overview

The construction industry is highly fragmented, as the less fixed capital requirements have led to low entry barriers. However, the fragmentation is lesser in the industrial/infrastructure industry than in housing entities since this sector requires far more technical expertise. Although, the construction sector is not fixed capital intensive, it is working capital intensive in terms of gross working capital requirements (typically 130 days, due to high levels of receivables and long project gestation periods). Most projects, especially infrastructure, have a gestation period of more than one year. In addition, a delay in payments from government agencies results in a high level of receivables. Construction investments accounts for nearly 12.8% of the GDP and around 52% of the Gross Capital Formation. As per CRIS INFAC estimates, construction investments in infrastructure are expected to grow at a CAGR of 9%, driven by investments in roads, water supply and sanitation and irrigation, which are supported by regulation/government policies, increasing private sector participation and availability of funds (budgetary supports and multilateral funds).

India has the second largest road network in the world totaling more than 3.3 million kilometers (kms). Responsibility for the development and maintenance of National Highways rests with the Central Government of India, while all other roads are the responsibility of concerned State Governments and local bodies. While traffic on the National Highways has been growing at a rapid pace, it has not been possible for the Government to provide matching funds due to competing demand from other priority sectors. However, to obtain the inflow of resources for the development, maintenance and management of National Highways and to bring in a competitive environment, the Government of India, in line with its liberalization policy, has initiated steps to get private investment in the sector.

Business Overview

We are an engineering and construction company focusing on road construction development. We were incorporated on April 1, 1998 as a private company. We took over the business of Niraj Cement Structurals (partnership firm) in December 1999, which was engaged in cement structural business since 1987. We are catering to road projects. We are headquartered in Mumbai and have capability to execute various road construction projects.

Our present areas of operations are Road construction and other infrastructure related developments including providing EPC services. We have a fleet of construction equipment all of which we own directly or through our joint ventures. We believe that our employee resources and fleet of equipment, along with our engineering skills and capabilities, enable us to successfully implement a wide variety of road construction projects that involve varying degrees of complexity.

We enter into contracting assignments primarily through a competitive bidding process. We execute most of our projects as the sub-contractor though we aim to establish our direct presence over a period of time. As the project sizes are expanding we team with major contractors to meet specific eligibility requirements for certain larger projects, including requirements relating to particular types of experience and financial resources, we also enter into project-specific joint ventures with other construction companies at times as minor partners and EPC contractor.

Our Strategy

Construction of Roads, paving etc:

We intend to bid for road related infrastructure projects - leveraging and building the specialization and prequalification and thereby participating in more states and regions and gaining access to more complex projects. We will leverage our strength in Road Construction to bid for projects on BOOT and BOT basis which will enhance the core competence of the company .

Focus on building strategic alliances to win large-scale projects

The pre-qualification criteria for contracts generally include past experience in projects of similar nature, organizational structure, manpower and machinery and financial strength. In our business, we enter into project-specific joint ventures or form strategic alliances to meet the pre-qualification criteria and to increase our probability of winning the bid. In order to bid for and win high value and large-scale construction projects, we intend to establish strategic alliances with other competent players in our industry, who can complement our skills and resources and enhance our technical and financial strength.

Spread our geographical area of operations

We are currently executing projects in the State of Maharashtra , Karnataka and Orissa. In future, we intend to spread our area of operations to other States as well, which is one of the effective ways to mitigate the risks associated with road infrastructure projects.

Bid for contracts offered on BOT and annuity basis

Government of India is offering several road projects to be completed on a BOT or annuity basis. We have participated in bidding for such project and also intend to further implement projects on BOT / BOOT / Annuity basis.

Target road construction projects in Special Economic Zones (SEZ) and Container Freight Stations (CFS),

The SEZ policy introduced on 1st April 2000 provides for setting up of SEZs in the public, private, joint sector or by State Governments. We intend to target the road projects wherever proposed in these Special Economic Zones.

Focus on execution of projects in a timely manner

Our Company intends to maintain quality standard and ensure timely completion of the projects. We also intend to focus on employing latest technology with experienced manpower to give a quality output in a timely manner.

THEISSUE

Equity Shares Offered:

Particulars	**No. Of Equity Shares**
Public Issue of Equity Shares by the Company	32,50,000 Equity Shares of Rs. 10 each for cash
Reserved for Employees on a competitive basis	3,25,000 Equity Shares of Rs. 10 each for cash
Net Issue to Public	29,25,000 Equity Shares of Rs. 10 each for cash
Of which:	
A) Qualified Institutional Buyers Portion	Up to 14,62,500 Equity Shares of Rs. 10 each for cash *(Allocation on a proportionate basis)*
Of which:	
Reservation for Mutual Funds	Up to 73,125 Equity Shares of Rs. 10 each for cash *(Allocation on a proportionate basis)*
B) Non Institutional Portion	Atleast 4,38,750 Equity Shares of Rs. 10 each for cash *(Allocation on a proportionate basis)*
C) Retail Portion	Atleast 10,23,750 Equity Shares of Rs. 10 each for cash *(Allocation on a proportionate basis)*
Equity Shares outstanding prior to the Issue	70,92,800 Equity Shares of Rs. 10 each
Equity Shares outstanding after the Issue	1,03,42,800 Equity Shares of Rs. 10 each
Objects of the Issue	Please see the section entitled "Objects of the Offer" on page 22 of this Draft Red Herring Prospectus

Note:

1. Under-subscription, if any, in the Employees Reservation Portion will be added to the Net Issue to Public
2. Under subscription, if any, in any of the categories, would be allowed to be met with spill over from any of the other categories including from over subscription at our sole discretion in consultation with the BRLM.
3. Allocation to QIB's is proportionate as per the terms of this Draft Red Herring Prospectus, 5% of the QIB portion shall be available for allocation to mutual funds. Mutual Funds participating in the 5% reservation in the QIB portion will also be eligible for allocation in the remaining QIB portion.

Summary of Financial and Operating Data

The following table sets forth selected financial information of the Company as of and for the financial period ended March 31, 2002, 2003, 2004, 2005, 2006 and for the period ended 31st December 2006 read together with significant accounting policies after making adjustments as stated in the notes to accounts: all prepared in accordance with Indian GAAP, the Companies Act and restated under the SEBI Guidelines.

You should read the following information together with the information contained in the Auditors' report included in the Section titled "Financial Information" on page 101 in the Draft Red Herring Prospectus.

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Rs. in lakhs)

	For the Year/ Period Ended on					
	31-03-2002	**31-03-2003**	**31-03-2004**	**31-3-2005**	**31-03-2006**	**31-12-2006**
Revenue:						
a) Contract Receipts	17.08	1,251.58	2,929.02	3,072.29	6,953.38	5,397.23
b) Sales Precast	137.68	142.77	68.44	65.97	51.08	23.58
c) Contract Receipts-Joint Venture	543.06	509.92	245.68	-	-	-
Total	***797.82***	***1,904.27***	***3,243.13***	***3,138.26***	***7,004.46***	***5,420.81***
Other Income	79.76	44.90	42.75	19.02	35.11	44.03
Total (A)	**877.58**	**1,949.17**	**3,285.88**	**3,157.28**	**7,039.57**	**5,464.84**
Expenditure:						
Construction and operating expenses	97.30	1,004.62	2,194.70	2,342.13	5,573.93	4,514.82
Expenses-Joint Venture	522.10	493.14	192.25	-	-	-
Staff Costs	33.73	77.38	79.33	107.46	83.83	38.91
Selling, Administration & Other Expenses	63.60	112.23	195.39	232.18	202.36	114.89
Interest	51.25	166.63	217.37	130.79	206.97	131.03
Managerial Remuneration	1.80	1.80	3.60	3.60	5.04	2.70
Depreciation	40.18	74.45	119.82	117.42	111.07	119.28
Miscellaneous Expenditure Expenses W/off	0.05	0.05	0.05			
Total (B)	**810.01**	**1,930.30**	**3,002.51**	**2,933.58**	**6,183.20**	**4,921.63**
Net Profit Before Tax	**67.57**	**18.87**	**283.37**	**223.70**	**856.37**	**543.20**
Current Taxation	3.43	1.71	17.47	18.04	67.58	62.48
Deferred Tax	5.51	20.47	12.39	45.56	8.01	0.37
Fringe Benefit Tax					1.30	0.85
Previous Year Adjustments	(1.88)	-	-	-	-	-

Profit After Tax	**60.52**	**(3.31)**	**253.51**	**160.11**	**779.49**	**479.50**
Dividend Tax	-	-	-	-	-	-
Net Profit Before Extra-Ordinary items	**60.52**	**(3.31)**	**253.51**	**160.11**	**779.49**	**479.50**
write back of Prelim exp.	**0.14**	**-**	**-**	**-**	**-**	**-**
Extra-Ordinary items (Net of Tax)	-	-	-	-	-	-
Net Profit After Extra-Ordinary items	**60.66**	**(3.31)**	**253.51**	**160.11**	**779.49**	**479.50**

Note
1. Depreciation has been recalculated to confirm to Straight Line Metl

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in lakhs)

		As at					
		31-03-2002	**31-03-2003**	**31-03-2004**	**31-3-2005**	**31-03-2006**	**31-12-2006**
A	**Fixed Assets:**						
	Gross Block	534.53	1,945.96	2,347.09	2,465.36	2,271.78	2,295.87
	Less: Depreciation	43.54	117.99	237.82	355.24	466.32	585.60
	Net Block	*490.99*	*1,827.97*	*2,109.27*	*2,110.12*	*1,805.46*	*1,710.27*
	Less: Revaluation Reserve	-	-	-	-	-	-
	Total (A)	**490.99**	**1,827.97**	**2,109.27**	**2,110.12**	**1,805.46**	**1,710.27**
B	**Investments**						
	Investments in Joint Venture (B)	**114.43**	**154.20**	**245.90**	**139.55**	**192.99**	**168.64**
C	**Current Assets, Loans and Advances:**						
	Inventories	221.91	255.19	301.16	765.76	742.74	486.41
	Sundry Debtors	139.19	565.49	1,388.30	1,946.19	3,290.36	3,580.92
	Cash and Bank Balances	121.69	272.24	286.65	318.60	404.74	34.19
	Loans and Advances	240.63	215.13	307.59	545.13	1,145.35	1,571.00
	Total (C)	**723.42**	**1,308.05**	**2,283.70**	**3,575.68**	**5,583.19**	**5,672.52**
D	**Liabilities & Provisions:**						
	Secured Loans						

		477.85	1,616.23	1,211.21	1,359.32	1,166.60	1,482.52
	Unsecured Loans	28.90	1,043.18	1,644.31	1,997.60	2,549.14	1,198.02
	Deferred Tax Liability	11.02	31.48	43.87	89.43	97.44	97.81
	Current Liabilities and Provisions	559.42	350.94	692.54	1,171.95	968.19	510.43
	Total (D)	**1,077.18**	**3,041.83**	**3,591.93**	**4,618.30**	**4,781.37**	**3,288.78**
E	**Net Worth (A)+(B)+(C)-(D)**	251.65	248.39	1,046.94	1,207.05	2,800.27	4,262.64
F	**Represented by**						
1	**Share Capital**	124.23	124.23	149.23	149.23	500.00	709.28
2	**Share Application Money**	25.00	25.00	545.00	545.00	1,007.97	-
3	**Reserves & Surplus**	102.52	99.21	352.72	512.82	1,292.31	3,553.36
	Less: Revaluation Reserve	-	-	-	-	-	-
	Less : Misc. Expenses	0.09	0.05	-	-	-	-
	Reserves (Net of Revaluation Reserves)	102.43	99.16	352.72	512.82	1,292.31	3,553.36
	Net worth (excluding revaluation reserve) (1+2+3)	**251.66**	**248.39**	**1,046.95**	**1,207.05**	**2,800.27**	**4,262.64**

GENERAL INFORMATION

Niraj Cement Structurals Limited
(Originally incorporated in India as Niraj Cement Structurals Private Limited on April 1, 1998 under the Companies Act, 1956 and converted to Public Limited Company w.e.f. January 12, 2006.)

Our Company Identification Number (CIN): U26940MH1998PTC114307

Registered Office of our Company:
Niraj House, Sunder Baug, Opp. Deonar Depot
Chembur, Mumbai – 400 088
Tel. No.: +91-22- 2551 3750 /3541
Fax No.: +91-22- 2551 8736
Website: www.niraj.co.in
Email: info@niraj.co.in

Address of Registrar of Companies:
The Registrar of Companies, Maharashtra
100, Everest, Marine Lines
Mumbai-400002

Board of Directors:
The following persons constitute our Board of Directors:

Sr. No	Name	Designation
1.	**Mr. Vijay K. Chopra**	Chairman and Managing Director
2.	Mr. Gulshan V. Chopra	Director
3.	Dr. B. Samal	Independent Director
4.	Mr. G. R. Kamat	Independent Director

Details of the Chairman and Managing Director and Whole Time Director
Mr. V. K. Chopra (Chairman and Managing Director):
59 years, is Chairman and Managing Director and founder of our Company. He graduated in science from K.J. Somaiya College, Bombay University in the year 1969 and has more than three decades of experience in construction business, initially starting with dealership of cement and building materials and later on venturing into manufacture of pre-casted cement products. He currently looks after strategy and overall management of Niraj Cement Structurals Limited.

Mr. Gulshan. V. Chopra (Director): 33 years, is Director of our Company. He has been associated with the company's affairs for the last 15 years and has over the years gained experience in construction and infrastructure business. He oversees the overall operations at Niraj Cement Structurals Limited.

For further details of our Board of Directors, see "Our Management" on page 85 of this Draft Red Herring Prospectus.

Company Secretary
Ms Dipti Gupta
Niraj Cement Structurals Limited
Niraj House, Sunder Baug
Opp. Deonar Depot
Chembur, Mumbai – 400 088
Tel. No. +91-22-2551 3750/ 3541
Fax No. +91-22-2551 8736
Email: info@niraj.co.in

Compliance Officer
Mr. Soni Agarwal
Niraj Cement Structurals Limited
Niraj House, Sunder Baug
Opp. Deonar Depot
Chembur, Mumbai – 400 088
Tel. No. +91-22-2551 3750/ 3541
Fax No. +91-22-2551 8736
Email: info@niraj.co.in

Investors can contact the Compliance Officer 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 account or refund orders, etc.

Book Running Lead Manager
Allbank Finance Limited
2nd Floor, Allahabad Bank Building,
37, Mumbai Samachar Marg, Fort,
Mumbai – 400023
Tel Fax No: 022-22677552
E-mail: ipo@mum.allahabadbank.co.in
Website: www.allahabadbank.com
Contact Person: Mr.K. Shiv Shankar

Co- Book Running Lead Managers	
Allianz Securities Limited 33, Vaswani Mansion, 6th Floor Dinsha Vachha Road Church gate, Mumbai – 400 020. Tel: +91-22-2287 0580 Fax: +91-22-2287 0581 Website: www.aslfinancial.com Email: ncslipo@aslfinancial.com Contact Person: Mr. Sunit Shangle	**Canara Bank** Merchant Banking Division Varma Chambers, 11, Homji Street, Fort, Mumbai – 400-001 Tel: +91-22-22677405 Fax: +91-22-22677404 E-Mail: mbdcomcity@canbank.co.in Contact Person: Mr. P. Sitaram

Syndicate Members
[■]
Registrars to the Issue
Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai - 400 078
Tel. No.: +91-22-2596 0320
Fax No.: +91-22-2596 0329
E-mail: ncsl@intimespectrum.com
Website: www.intimespectrum.com
Contact Person: Mr. Sachin Achar

Legal Advisor to the Issue
M/s. S.K.Srivastav & Co
Advocate & Solicitors
201, Yeshwant Chambers, 2nd Floor,
18, Burjorji Bharucha Marg, Fort
Mumbai – 400-020
Tel No: 91-22-22674729
Fax No: 91-22-22655698
E Mail: sks@srivastavandco.com
Contact Person: Mr S.K.Srivastav

Bankers to the Company

Canara Bank Turbhe (APMC) Branch Sector -19C, Banking Complex Vashi Navi Mumbai – 400 705 Phone: +91-22-2765 2995 Fax: +91-22-2789 4683	**HDFC Bank** Ghatkopar (E) Branch 001/002 Samyak Darshan Tilak Road & Vallabh Baug Lane Junction Ghatkopar (E), Mumbai – 400 077 Tel: +91-22-25092352/ 2352 Fax : +91-22-2509 2355
Indusind Bank Chembur-Branch Sunny Estate (2), Sion-Trombay Road, Chembur, Mumbai – 400-071 Phone: +91-22-2526-0881-83 Fax: +91-22-2526-0885	**Punjab & Maharashtra Co-Operative Limited** Branch: 10/A Parijat Atur Park, Sion- Trombay Road, Chembur, Mumbai – 400 071 Tel: 022- 2558 5215/ 9216 Phone: +91-22-25215215/2520-9216 Fax: +91-22-2520-2341
ICICI Bank *Equipment Financing* RPG Towers, OPP. Kohinoor Hotel, JB Nagar, Andheri Kurla Road, Andher-East, Mumbai – 400-059 Tel: +91-22-56493293/94 Fax: +91-22- 5649-3408	**IDBI Bank** 5th floor, World Trade Centre, Cuffe Parade branch, Cuffe Parade, Coloba, Mumbai- 400005 Tel: +91-22-66552893 Fax: +91-22-22160785

Bankers to the Issue and Escrow Collection Banks
[*] – *To be appointed*

Statutory Auditor to the Company
Ajay B Garg
Chartered Accountant
517-518, Shreekant Chambers
V. N. Purav Marg, Chembur
Mumbai - 400071
Tel: +91-22-67978001

Fax: +91-22-67978002
Email: garg@vsnl.com

Credit Rating
As the Issue is of Equity Shares, credit rating is not required.

Trustees
As the Issue is of Equity Shares, the appointment of Trustees is not required.

IPO Grading
We have not opted for the grading of this issue from any credit rating Agency.

Statement of Inter-se allocation of responsibilities:

The responsibilities and co-ordination for various activities in this Issue are as under

No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	Allbank	Allbank
2.	Conducting a Due diligence of the Company's operations / management / business plans / legal, etc. Drafting and designing the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus. Ensuring compliance with the Guidelines for Disclosure and Investor Protection and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI.	Allbank	Allbank
3.	Primary co-ordination with SEBI, RoC and Stock Exchanges up to bidding and coordinating interface with lawyers for agreements.	Allbank	Allbank
4.	Primary coordination of drafting/proofing of the design of the Red Herring Prospectus, bid forms including memorandum containing salient features of the Prospectus with the printers. Primary coordination of the drafting and approving the statutory advertisement.	Allbank	Allbank
5.	Drafting and approving all publicity material other than statutory advertisement as mentioned in (4) above including corporate advertisement, brochure, etc.	Allbank	Allbank
6.	Appointing the Registrars, Appointing Bankers to the Issue, Appointing other intermediaries viz. printers and advertising agency	Allbank, Allianz Securities	Allbank
7.	Marketing of the Issue, which will cover inter alia: ▪ Formulating marketing strategies, preparation of publicity budget, ▪ Finalizing media & public relations strategy, ▪ Finalizing centers for holding conferences for press and brokers etc. ▪ Finalizing collection centers, ▪ Following-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the ▪ Issue material ▪ Preparing all road show presentations ▪ Appointment of brokers to the issue, and ▪ Appointment of underwriters and entering into underwriting agreement.	Allianz Securities, Canara Bank	Allianz Securities
8.	Coordinating institutional investor meetings, coordinating pricing decisions and institutional allocation in consultation with the Company.	Allianz Securities, Canara Bank	Allianz Securities
9.	Finalizing the Prospectus and RoC filing	Allbank	Allbank
10.	Co-coordinating post bidding activities including management of escrow accounts, coordinating Non-Institutional allocation, intimating allocation and dispatch of refunds to Bidders, etc.	Allianz Securities, Canara Bank	Canara Bank

11.	Follow – up with the bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.	Allianz Securities, Canara Bank	Canara Bank
12.	The post-Issue activities for the Issue will involve essential follow up steps, which include finalizing basis of allotment / weeding out of multiple applications, the listing of instruments and dispatch of certificates and dematerialized delivery of shares with the various agencies connected with the work such as the Registrars to the Issue and Bankers to the Issue and the bank handling refund business The BRLM & Co BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.	Allianz Securities, Canara Bank	Canara Bank

Our company in consultation with the BRLMs will finalize the selection of various agencies like the Bankers to the Issue, Escrow Collection Bank (s), Syndicate Members, brokers, advertising agencies etc..

Even if other intermediaries will handle many of these activities, the designated BRLM/Co-BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our company.

Book Building Process

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

The principal parties involved in the Book Building Process are:

- The Company;
- Book Running Lead Manager;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with NSE / BSE and eligible to act as Underwriters. Syndicate Members are appointed by the BRLM;
- Escrow Collection Bank(s); and
- Registrar to the Issue.

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the net offer to public shall be allotted to Qualified Institutional Buyers (“QIBs”)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. Further, not less than 15% of the Issue would be allocated to Non-Institutional Bidders and not less than 35% of the Issue would be allocated to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

Though the process of Book Building under the SEBI Guidelines is not new, investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

The Company shall comply with guidelines issued by SEBI for this Issue. In this regard, the Company has appointed Book Running Lead Managers to manage the issue and to procure subscription to the Issue.

Steps to be taken by the Bidder for bidding:

- Check eligibility for making a bid, see the section titled “Issue Procedure-Who Can Bid” on page 146 of this Draft Red Herring Prospectus;

- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form

- 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 and
- Ensure that Form 60 accompanies by the Permanent Account Number or the Bid –Cum – Application Form or Form 61 as may be applicable together with necessary documents providing proof of address. For details please refer to the section titled "Issue Procedure" beginning of this Draft Red Herring Prospectus. Bidders are specifically requested not to submit their General Index Register number instead of Permanent Account Number as the Bid is liable to be rejected on those grounds.

QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. In addition, QIBs are now required to pay 10% Margin Amount upon submission of their Bid and allocation to QIBs will be on a proportionate basis. Please refer to the section titled "Issue Procedure" appearing on page 146 of this Draft Red Herring Prospectus for more details.

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

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book as shown 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%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

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

Withdrawal of the Issue
Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime after the Bid Opening Date/ Issue Opening Date but before allotment, without assigning any reason thereof.

Bid/Issue Programme

Bidding Period/Issue Period

BID ISSUE OPENS ON (**) 2007

BID ISSUE CLOSES ON (**) 2007

Underwriting Agreement
After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with the RoC, our Company 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 BRLM shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations.

The 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 filing of the Prospectus with the RoC)

(Rs. in lakhs)

Name and Address of the Underwriters	**Indicative Number of Equity Shares to be Underwritten**	**Amount Underwritten**
[•]	[•]	[•]
[•]	[•]	[•]
Total	[•]	[•]

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

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with the stock exchange (s).

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement will also be required to procure / subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE OF THE COMPANY

Rs. in Lakhs

Particulars	Aggregate Nominal Value	Aggregate value at Issue Price
(A) Authorized Share Capital		
1,20,00,000 Equity Shares of Rs.10/- each	1,200.00	
(B) Issued, Subscribed and Paid-up Capital		
70,92,800 Equity Shares of Rs.10/- each fully paid up	709.28	[■]
(C) Present Issue in terms of this Draft Red Herring Prospectus		
32,50,000 Equity Shares of Rs.10/- each fully paid up	325.00	[■]
(D) Employees Reservation Portion		
3,25,000 equity shares of Rs.10/- each fully paid up	32.50	[■]
(E) Net Issue to the Public		
29,25,000 equity shares of Rs.10/- each fully paid up	292.50	[■]
(F) Paid up capital after the Issue		
103,42,800 Equity shares of Rs.10/- each fully paid up	1,034.28	
(G) Share Premium Account		
- Before the Issue	1778.70	
- After the Issue*	[■]	

**The share premium account shall be determined after the Book Building Process.*

DETAILS OF INCREASE IN AUTHORISED CAPITAL

(Rs. In lakhs)

Date of Change	Nature of increase/change	Number of Equity Shares	Face Value	Authorised Share Capital
April 1, 1998	On Incorporation	250000	10	25.00
December 31, 2001	Increase	750000	10	100.00
March 30, 2002	Increase	1000000	10	200.00
April 1, 2005	Increase	3000000	10	500.00
March 11, 2006	Increase	2000000	10	700.00
September 30, 2006	Increase	7000000	10	1200.00

NOTES TO THE CAPITAL STRUCTURE:

1. **Share Capital History / Capital Build up:**

(Rs. In Lakhs)

Date of Allotment	No. of Shares	Cumulative Total Shares	Face Value	Issue Price	Consideration	Reasons For Allotment	Cumulative Share Premium
24-Apr-98	30	30	10	10	Cash	Allotment to Subscribers to the memorandum	Nil
31-Mar-01	248970	249000	10	10	Cash	Allotment to Promoters/ Promoter Group	Nil
18-Jan-02	743300	992300	10	10	Cash	Allotment to Promoters/ Promoter Group	Nil
30-Mar-02	500000	1492300	10	10	Cash	Allotment to Promoters/ Promoter Group	Nil

05-Apr-05	3507700	5000000	10	10	Cash	Allotment to Promoters/ Promoter Group and Individuals	Nil
23-Apr-06	533300	5533300	10	75	Cash	Allotment to Private Corporate Bodies and Individuals	346.65
23-Apr-06	110000	5643300	10	110	Cash	Allotment to Individuals	456.65
23-Apr-06	450000	6093300	10	95	Cash	Allotment to Individuals	839.15
30-May-06	605000	6698300	10	100	Cash	Allotment to Private Corporate Bodies and Individuals	1383.65
30-May-06	3000	6701300	10	125	Cash	Allotment to Individuals	1387.1
30-May-06	10000	6711300	10	75	Cash	Allotment to Individuals	1393.6
09-Jun-06	4500	6715800	10	100	Cash	Allotment to Private Corporate Bodies and Individuals	1397.65
09-Jun-06	75500	6791300	10	90	Cash	Allotment to Individuals	1458.05
09-Jun-06	75000	6866300	10	120	Cash	Allotment to Private Corporate Bodies and Individuals	1540.55
20-Nov-2006	22000	6888300	10	90	Cash	Allotment to Individuals	1558.15
20-Nov-2006	55500	6943800	10	100	Cash	Allotment to Individuals	1608.10
20-Nov-2006	5000	6948800	10	110	Cash	Allotment to Individuals	1613.10
20-Nov-2006	144000	7092800	10	125	Cash	Allotment to Individuals	1778.70

No shares have been issued for consideration other than cash

2. **Promoters' Contribution and Lock-in**

   i) **Build-up of Promoter and Promoter Group Shareholding**

Date of Allotment /Transfer	**Date when Fully paid up**	**Reasons of Allotment**	**Consideration**	**No. of shares**	**Face Value (Rs.)**	**Issue/ Transfer Price (Rs.)**	**% of Post issue paid up capital**
Mr. V.K.Chopra							
01-Apr-98	01-Apr-98	Allotment	Cash	10	10	10	
31-Mar-01	31-Mar-01	Allotment	Cash	99,490	10	10	
18-Jan-02	18-Jan-02	Allotment	Cash	2,02,100	10	10	
19-Jan-02	19-Jan-02	Transfer	Cash	1,37,900	10	10	
30-Mar-02	30-Mar-02	Allotment	Cash	1,57,314	10	10	
30-Mar-02	30-Mar-02	Transfer	Cash	100	10	10	
04-Nov-03		Transfer	Cash	(3,73,089)	10	10	

Date of Allotment /Transfer	Date when Fully paid up	Reasons of Allotment	Consider ation	No. of shares	Face Value (Rs.)	Issue/ Transfer Price (Rs.)	% of Post issue paid up capital
05-Apr-05	05-Apr-05	Allotment	Cash	7,89,995	10	10	
23-Apr-05		Transfer	Cash	(70)	10	10	
23-Apr-06	23-Apr-06	Transfer	Cash	1,10,000	10	90	
29-May-06	29-May-06	Transfer	Cash	30,000	10	90	
Total				**11,53,750**			**11.16%**
Mr. Gulshan Chopra							
01-Apr-98	01-Apr-98	Allotment	Cash	10	10	10	
31-Mar-01	31-Mar-01	Allotment	Cash	74,490	10	10	
19-Jan-02	19-Jan-02	Transfer	Cash	2,00,000	10	10	
30-Mar-02	30-Mar-02	Allotment	Cash	1,73,088	10	10	
30-Mar-02	30-Mar-02	Transfer	Cash	100	10	10	
04-Nov-03	04-Nov-03	Transfer	Cash	12	10	10	
05-Apr-05	05-Apr-05	Allotment	Cash	6,52,310	10	10	
23-Apr-05		Transfer	Cash	(10)	10	10	
Total				**11,00,000**			**10.64%**
Ms. Asha V. Chopra							
01-Apr-98	01-Apr-98	Allotment	Cash	10	10	10	
31-Mar-01	31-Mar-01	Allotment	Cash	74,490	10	10	
18-Jan-02	18-Jan-02	Allotment	Cash	43,300	10	10	
19-Jan-02	19-Jan-02	Transfer	Cash	1,60,000	10	10	
30-Mar-02	30-Mar-02	Allotment	Cash	1,69,598	10	10	
30-Mar-02	30-Mar-02	Transfer	Cash	290	10	10	
04-Nov-03		Transfer	Cash	(3,73,063)	10	10	
05-Apr-05	05-Apr-05	Allotment	Cash	9,65,395	10	10	
23-Apr-05		Transfer	Cash	(39,920)	10	10	
Total				**10,00,100**			**9.67%**
Ms. Pooja Chopra							
05-Apr-05	05-Apr-05	Allotment	Cash	10,00,000	10	10	
Total				**10,00,000**			**9.67%**
Grand Total				**42,53,850**			**41.13%**

ii) **Lock-in of Minimum Promoters' Contribution**

Pursuant to the SEBI (DIP) Guidelines, an aggregate of 20% of the shareholding of the Company's Promoters shall be locked in for a period of three years from the date of allotment in the Issue. The lock-in details are as under:

Sr. No	Name of Promoter	No. of Shares	Face Value (Rs.)	% of post issue paid up capital	Lock-in Period
1	Mr. Vijay Kumar Chopra	10,13,750	10	9.80%	**3 years**
2.	Mr. Gulshan Chopra	11,00,000	10	10.64%	**3 years**
Total		**21,13,750**		**20.44%**	

a. Other than the above, our entire Pre-issue Equity Share Capital of the Company i.e. 49,79,050 Equity Shares will be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.
b. The Promoters have, vide their letter dated 30th March 2007, given their consent for lock in of shares as stated above. Equity Shares issued last shall be locked in first. The shares acquired last have been locked in first and lock in period shall commence from the date of allotment of shares in the Public Issue.
c. In terms of clause 4.15 of the SEBI (DIP) Guidelines, locked in Equity Shares held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions.
d. The Equity Shares held by the promoters under lock-in period shall not be sold/ hypothecated/ transferred during the lock-in period. However in terms of clause 4.16.1 (b) of the SEBI Guidelines, Equity Shares held by the Promoter may be transferred to and amongst the Promoters / 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 SEBI (Substantial Acquisition of Shares and Takeover Regulations), 1997 as applicable.
e. Further, in terms of clause 4.16.1 (a) of the SEBI (DIP) Guidelines, locked in Equity Shares held by shareholders other than the Promoters may be transferred to any other person holding 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 SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable.

3.

a. Details of top ten shareholders on date of filing Draft Red Herring Prospectus

Sr. No.	**Name of the Shareholder**	**Total No. of Shares**
1	Vijay K. Chopra	11,53,750
2	Gulshan V. Chopra	11,00,000
3	Asha V. Chopra	10,00,100
4	Pooja G. Chopra	10,00,000
5	Spotlight Securities Private Limited	5,00,000
6	Nirmal Kotecha	4,50,000
7	Mohan Lal Fatehpuria	3,73,075
8	Ravindra Kumar Jain	1,86,538
9	Adarsh Jain	1,86,537
10	Bhupatrai Sanghrajka	1,40,000

b. Details of top ten shareholders ten days before the date of filing Draft Red Herring Prospectus

Sr. No.	**Name of the Shareholder**	**Total No. of Shares**
1	Vijay K. Chopra	11,53,750
2	Gulshan V. Chopra	11,00,000
3	Asha V. Chopra	10,00,100
4	Pooja G. Chopra	10,00,000
5	Spot Light Securities Private Limited	5,00,000
6	Nirmal N. Kotecha	4,50,000
7	Mohan Lal Fatehpuria	3,73,075
8	Ravindra Kumar Jain	1,86,538
9	Adarsh Jain	1,86,537
10	Bhupatrai Sanghrajka	1,40,000

c. Details of top ten shareholders two years prior to date of filing Draft Red Herring Prospectus

Sr. No.	Name of the Shareholder	Total No. of Shares
1	Gulshan V. Chopra	4,47,700
2	Mohan Lal Fatehpuria	3,73,075
3	V.K.Chopra	2,23,825
4	Ravindra Kumar Jain	1,86,538
5	Adarsh Jain	1,86,537
6	Asha V. Chopra	74625

4. **The shareholding of the Promoters / Directors of the promoter Group Companies in the Company as on o2 April , 2007 is as follows:**

Name of Promoter/ Promoter Group	Number of Shares	% Of Pre Issue Paid up Capital
(A). Promoters – Core Promoters		
Vijay K. Chopra	11,53,750	16.27
Gulshan V. Chopra	11,00,000	15.51
Sub-Total (A)	**22,53,750**	**31.78**
(B). Promoter Group		
Asha V. Chopra	10,00,100	14.10
Pooja G. Chopra	10,00,000	14.10
Sub-Total (B)	**20,00,100**	**28.20**
(C) Others		
PAC-Others	28,38,950	40.02
Total (A) + (B)+ (C)	**70,92,800**	**100.00**

5. Pre-Issue and Post-Issue Shareholding of Promoter and Promoter Group –

Particulars	Pre-Issue		Post –Issue	
	No. of Equity Shares	%	No. of Equity Shares	%
A. Promoter's Holding				
Promoters & Promoter Group				
i. Promoter	22,53,750	31.78	22,53,750	21.79
ii. Promoters group	20,00,100	28.20	20,00,100	19.34
iii. Persons Acting in Concert	28,38,950	40.02	28,38,950	27.45
Total Promoter and Promoter Group (A)	**70,92,800**	**100.00**	**70,92,800**	**68.58**
B. Non-Promoter's Holding				
Employees	-	-	3,25,000	3.14
Public	-	-	29,25,000	28.28
Total Non-Promoter Holding (B)	**-**	**-**	**32,50,000**	**31.42**
Total	**70,92,800**	**100.00**	**1,03,42,800**	**100.00**

6. There has been no sale or purchase of Equity Shares of the Company by the Directors / Promoters and Promoter Group, during the period of six months preceding the date on which the Draft Red Herring Prospectus is filed with SEBI.:

7. There are no partly paid up Equity Shares as on the date of Draft Red Herring Prospectus.

8. On the date of filing the Draft Red Herring Prospectus with SEBI, there are no outstanding financial instruments or any other rights, which would entitle the existing Promoters or shareholders, or any other person any option to receive Equity Shares after the Issue.

9. No further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner will be made by the Company during the period commencing from submission of the Draft Red Herring Prospectus with SEBI till the equity shares referred to in this Draft Red Herring Prospectus have been fully paid up and shares are listed or application money is refunded in case of failure of the Issue.

10. The Company presently does not have any intention or proposal to alter its capital structure for a period of six months from date of opening of the Issue, by way of split/consolidation of the denomination of Equity shares or further issue of Equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares pursuant to the plan or issue Equity shares or securities linked to equity shares to finance an acquisition, merger or joint venture 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 its Board of Directors to be in the interest of the Company.

11. The Promoters and Directors of the Company and Book Running Lead Manager of the Issue have not entered into any "Buyback" or "Standby" or similar arrangement for the purchase of Equity Shares offered through the Draft Red Herring Prospectus.

12. The Company has not raised any bridge loans against the proceeds of this Issue. For details on use of proceeds, see the section titled "Objects of the Issue" on page no. 22 of this Draft Red Herring Prospectus.

13. The Company has not issued any shares for consideration other than cash.

14. At any given point of time there shall be only one denomination for a class of Equity Shares of the Company, unless otherwise permitted by law and the Company shall comply with disclosures and accounting norms as may be specified by SEBI from time to time.

15. The Equity Shares offered through this public issue shall be made fully paid up and the unpaid Equity Shares may be forfeited within 12 months from the date of allotment of shares in the manner specified as per clause 8.6.2 of the SEBI (Disclosure of Investor Protection) Guidelines.

16. The Company has not issued any bonus shares out of revaluation reserves or reserves without accrual of cash resources.

17. The Company has not offered any Employees Stock Option Scheme or Employees Stock Purchase Scheme for its employees.

18. The company has 91 shareholders as on the date of filing of this Draft Red Herring Prospectus with the SEBI.

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

20. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion on competitive basis. 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.

21. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue to the Public. 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.

22. Not more than 50% of the Net Issue shall be allocated to QIBs on a proportionate basis out of which 5% is reserved for Mutual Funds. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and the remaining 35% 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 QIBs, 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 BRLM.

23. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in para on "Basis of Allocation" on page no. 165 of this Draft Red Herring Prospectus.

24. 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.

25. An over-subscription to the extent of 10% of the Net Issue to the Public can be retained for the purpose of rounding off to the nearest multiple, while finalizing the allotment.

26. We have made the following allotments of Equity Shares in last twelve months before the date of Draft Red Herring Prospectus and the price of Issuance may be lower than the Issue Price:

Date of Allotment	Name	Issue Price	No. of Shares
23-Apr-06	Spot Light Securities Pvt. Ltd.	75	500000
23-Apr-06	Nirmal N Kotecha	95	450000
23-Apr-06	Mansukhlal A Sanghrajka	110	110000
23-Apr-06	Kiran Mahesh Khokhani	75	15000
23-Apr-06	Nirav Talati	75	5000
23-Apr-06	Ketan D Shah	75	5000
23-Apr-06	Chanchal M Jain	75	2500
23-Apr-06	Priyanka M Jain	75	1500
23-Apr-06	Vijay Pragi Vegad	75	1300
23-Apr-06	Huzefa Zoeb Rampurwala	75	1000
23-Apr-06	Anu Gupta	75	1000
23-Apr-06	Pragna B Shah	75	1000
30-May-06	Chirag Dinesh Tanna	100	100000
30-May-06	Essix Bio Sciences Ltd.	100	100000
30-May-06	Hemank Mercantile Pvt. Ltd.	100	75000
30-May-06	Bharat Kumar Mangaldas Kapadia	100	50000
30-May-06	Sangda Synthetics Pvt. Ltd.	100	50000
30-May-06	Ganpat B. Kothari	100	25000
30-May-06	Praveen B. Kothari	100	25000
30-May-06	Rajesh M. Kapadia	100	25000
30-May-06	Trupti M. Kapadia	100	25000
30-May-06	Narendra Kumar Kothari	100	16000
30-May-06	Khyalilal Tata	100	15000
30-May-06	Asha M. Chordia	100	10000
30-May-06	Mahendra Madaulal Chordia (HUF)	100	10000
30-May-06	Pine Tree Consultant Pvt. Ltd.	75	10000
30-May-06	Dinesh Kumar N. Patel	100	6000
30-May-06	Narsinh Bahi M. Patel (HUF)	100	6000
30-May-06	Ashaben M. Shah	100	5000
30-May-06	Kaushik M. Shah	100	5000
30-May-06	Amit K. Juneja	100	5000
30-May-06	Harbinder Singh Manju	100	5000
30-May-06	Tejas Arvind Shah	100	5000
30-May-06	Chander Singh Kothari	100	5000
30-May-06	Sardarbhai Shamalbhai Patel (HUF)	100	4500
30-May-06	Kiranben Patel	100	4000

30-May-06	Kawaljeet Kaur Manku	100	4000
30-May-06	Sunita and Mahesh Khanna	100	4000
30-May-06	Mahesh B. Khanna	100	4000
30-May-06	Narendra Kumar Kothari (HUF)	100	4000
30-May-06	Ishwari G. Nirmalani	100	3000
30-May-06	Tarandeep H. Manku	100	3000
30-May-06	Manjula D. Malade	125	3000
30-May-06	Kirti Sakarchavd Shah (HUF)	100	2500
30-May-06	Manoj M. Shah (HUF)	100	2000
30-May-06	Anisha K. Shah	100	2000
9-Jun-06	Ajit Kumar Adukia	90	55500
9-Jun-06	Vinod Nayar	120	25000
9-Jun-06	Tijarat Impex Pvt. Ltd.	120	25000
9-Jun-06	Free India Assurance Services	120	25000
9-Jun-06	Vishal Dua	90	10000
9-Jun-06	Samir Jha	90	10000
9-Jun-06	Mahesh Khanna (HUF)	100	3000
9-Jun-06	Sonia Khandelwal	100	1500
20-Nov-2006	Farookh Beharam Daruwala	90	5000
20-Nov-2006	Sridhar Rao	90	5000
20-Nov-2006	K. Subramaniam	90	1000
20-Nov-2006	Shabir Ahmad Abdul Latif	90	5000
20-Nov-2006	Maujibhai P. Maru	90	1000
20-Nov-2006	Irfan Mohsin Karim	90	5000
20-Nov-2006	Vinod Jeshingbhai Patel	100	500
20-Nov-2006	Harpreet Singh Sablok	100	2000
20-Nov-2006	Pritam Singh Sablok	100	2000
20-Nov-2006	Pramila Bhatia	100	2500
20-Nov-2006	Vinod Bhatia	100	2500
20-Nov-2006	Achuta Sachdev	100	1000
20-Nov-2006	Gunvanti G. Gundana	100	2500
20-Nov-2006	Sharda Gupta	100	2500
20-Nov-2006	Bharat Gupta	100	2500
20-Nov-2006	Sakshi Aggarwal	100	500
20-Nov-2006	Rajiv Aggarwal	100	1000
20-Nov-2006	Satish Gupta	100	1000
20-Nov-2006	Salim Peerbhoy	100	5000
20-Nov-2006	Priya Chandiramani	100	10000
20-Nov-2006	Reva Saluja	100	20000
20-Nov-2006	Prem Karla	110	5000
20-Nov-2006	Mahesh G. Maniar	125	1000
20-Nov-2006	Rajnikant G. Maniar	125	1000
20-Nov-2006	Sharda Maniar	125	1000
20-Nov-2006	Bhavana Maniar	125	1000
20-Nov-2006	Bhupatra Sanghrajka	125	80000
20-Nov-2006	Bhupatra Sanghrajka	125	60000
	Total		2092800

27. **Restrictive Covenants of Lenders**

We are subject to usual and customary restrictive covenants in relation to the credit facilities availed by the Company from Canara Bank. Some of these restrictive covenants require the prior permission of the said banks/financial institutions for certain activities for example, restrictions pertaining to the declaration of dividends, alteration of the capital structure, entering into any merger/amalgamation, expenditure in new projects, not make investments in associate companies.

SECTION V

OBJECTS OF THE ISSUE

The proceeds from the proposed issue of shares are intended to be deployed for:
1. Investment in capital equipment
2. Funding long term working capital requirements
3. General Corporate Purposes
4. Meeting the issue expenses

The proceeds of the Issue would be utilized to finance the fund requirements as under:

(Rs. In lakhs)

Particulars	Fund Requirement
Investment in capital equipment	2094.67
Funding long term working capital requirements	1816.80
General Corporate Purposes	[*]
Meeting the issue expenses	[*]
Total	**[*]**

The means of finance to meet the estimated funds requirement for the above stated objects is set forth in the table below:

(Rs. in lakhs)

Particulars	Means of Finance
Proceeds of the Issue	[*]

The fund requirement and means of finance is based on internal management estimates and has not been appraised by any bank or financial institution. The entire requirement of the funds is proposed to be met through the IPO. In the event of any shortfall in raising the required amount through the IPO the same will be met from internal accruals or promoters' contribution. In case the company realises a surplus amount then the same will be used for general corporate purposes as detailed hereunder.

Details of Use of Proceeds

1. Investment in capital equipment:

We need to make investments in capital equipment on a recurring basis. We intend to use Rs. 2094.67 lakhs from the net proceeds of the Issue for purchase of capital equipment to meet the requirements of its various projects. We have projected capital expenditure plan of Rs. 2100 lakhs based on our order book as of March,2007 and future requirements as estimated by the management. The details of the equipment we intend to purchase and their estimated costs, including the estimated costs of associated spares, attachments and other accessories, are specified in the following capital expenditure plan:

a.) RMC Plant 4 Nos:

Rs. in lakhs

Sr.No.	Equipment Name	Name of Supplier	Model No.	Date of Quotation	Capacity	Qty /No.s	Value
1	Batching Plant	Schwing Stetter (India) Pvt. Ltd.	CP 30	November 3, 2006	30 Cum/Hr	4	178.56
2	Welded Cement Silo	Aquarius Engineers Pvt. Ltd.	-	November 13, 2006	100 Tonnes	8	53.39
3	Transit Mixers	Schwing Stetter (India) Pvt. Ltd.	AM6SHN	November 20, 2006	6 Cum	32	338.72
4	Concrete Pump	Schwing Stetter (India) Pvt. Ltd.	BP350 XTD	November 20, 2006	20 Cum/Hr.	8	171.91
5	DG Sets	Powerica Ltd.	Cummins - 6 BT 5.9 GI	September 29, 2006	125 KVA	4	35.33

6	JCB	L&T Case Equipment Pvt. Ltd.	580 3 S	November 18, 2006	0.90 Cum	4	63.89
7	Lab Equipments	Sonu Enterprises	-	September 29, 2006	Per Set	6	72.54
8	Pick up vehicle	Global Galleries	MAXX	October 31, 2006	4 Sweater	4	18.47
9	Bolero Camper	Global Galleries	Bolero Camper CMVR	October 31, 2006		1	4.82
10	Structurals and Civil work	Kalpa Construction	Civil Work	November 18, 2006	-	4	120.00
	Total						**1,057.63**

(Source: Company's estimate)

b.) Paver Block Plant

Rs. in lakhs

Sr.No.	Equipment Name	Name of Supplier	Model No.	Date of Quotation	Capacity	Qty /No.s	Value
1	Concrete Pavers Blocks	Pakona Engineers (India) Pvt. Ltd.	Model 15-L	November 20, 2006	10000 Unistone Pavers/hr	6	680.58
2	DG Sets	Powerica Ltd.	6 BT 5.9 G1	September 29, 2006	82.5 KVA	6	38.08
3	Fork Lift	Godrej & Boyce Mfg Co. Ltd.	GX 400 D	December 6, 2006	4 Tonnes	6	93.92
4	Racks	Vishwakarma Industries	MS Steel	November 19, 2006	48 Platters	300	69.62
5	MS Plates	Vishwakarma Industries	Steel Plates	November 19, 2006	288 Pavers	14500	75.90
6	Pan Mixer	Esquire Machines Pvt. Ltd.	Pan Type	December 6, 2006	300 Lts	6	16.25
7	Lab Equipments	Sonu Enterpeises	-	September 29, 2006	Per Set	2	24.18
8	Pick up vehicle	Global Gallarie	MAXX	October 31, 2006	4 Seater	6	27.70
9	Bolero Camper	Global Gallarie	Bolero Camper CMVR	October 31, 2006		1	4.82
10	Structurals and Civil work	Kalpa Construction	-	November 18, 2006	-	6	6.00
	Total						**1,037.04**

(Source: Company's estimate)

For the above estimates most of the equipment or machinery is yet to be ordered and the Company has relied upon quotations received by it and its past experience. The Company has not yet made a decision to finalize the suppliers for the above equipment.

The figures in the Company's capital expenditure plans are based on management estimates and have 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.

2. Funding of working capital margin requirements

Our existing and expected working capital requirements and funding for the same is as follows:

COMPUTATION OF WORKING CAPITAL			RS IN LAKHS	
Particulars	**31-Mar-06**	**31-Mar-07**	**31-Mar-08**	**31-Mar-09**
Current Assets:				
Inventories				
Work in progress	745.76	1250.00	1350.00	1400.00
Debtors	3290.36	2083.33	3125.00	3000.00
Advances to Contractors	1142.31	950.00	1200.00	1200.00
Other Current Assets	404.75	1200.00	1500.00	1800.00
Total	**5583.17**	**5483.33**	**7175.00**	**7400.00**
Current Liabilities and Provisions				
Sundry Creditors	787.85	750.00	800.00	900.00
Advances received	1806.44	1000.00	900.00	900.00
Liabilities – Others	179.19	150.00	100.00	100.00
Total	**2773.48**	**1900.00**	**1800.00**	**1900.00**
Working Capital Gap	**2809.70**	**3583.33**	**5375.00**	**5500.00**
Financed by:				
Working capital funding from Banks	501.50	500.00	1250.00	1250.00
own Funds	2308.20	3083.33	4125.00	4250.00
Part proceeds of the Issue			**1816.80**	
Additional Margin Money		775.14	**2308.2**	
Particulars	**Number of days outstanding**			
	31-Mar-06	**31-Mar-07**	**31-Mar-08**	**31-Mar-09**
Sundry Debtors	171.46	60.83	76.04	50.69
Inventories	38.86	36.50	32.85	21.90
Other Current Assets	80.62	62.78	65.70	43.80
Current Liabilities	144.52	55.48	43.80	29.2

The Company proposes to raise a sum of Rs. 1816.80 lakhs for its additional working requirements . The amount is difference between the Margin requirements as on 31.3.2006 and incremental Margin requirements as on 31.3.2008. The balance amount of Rs. 2308.20 lakhs will be financed out of the free reserves of the company.

3. General Corporate Purposes

We intend to continue and strengthen our operations in the construction sector by exploring various options to invest in BOT / BOOT projects. Accordingly, we intend to use a part of the net proceeds from the issue towards such growth plans. We continue to evaluate various opportunities and may bid for new projects. We therefore intend to bid for projects taken on BOT / BOOT basis and investment in various JVs. We cannot assure you that any or all of our bids will be successful. Our management will have the flexibility in utilizing these proceeds under the overall guidance and policies laid down by our Board.

4. Meeting the Issue Expenses

The Issue expenses include fees payable to BRLMs to the Issue, Registrar to the Issue, Legal Advisors to the Issue, Auditors, Underwriting Commission, Selling Commission, Escrow Bankers' charges, Printing and Stationery, Advertising Expenses and all other incidental and miscellaneous expenses for listing of the Equity Shares on the Stock Exchanges.

The total estimated expenses are Rs. [■] lakhs, which is [■] % of the Issue size. All expenses with respect to the Issue will be borne by our Company. The details of the expenses are as given below:

(Rs. in lakhs)

Activity	**Amount**	**% of Issue Size**	**% of Issue Expenses**
Lead Management, underwriting and selling commissions	[■]	[■]	[■]
Registrar's Expenses	[■]	[■]	[■]
Advertising and marketing expenses	[■]	[■]	[■]
Printing and Stationery	[■]	[■]	[■]
Others	[■]	[■]	[■]
Total estimated issue expenses	[■]	[■]	[■]

We may have to revise our business plans from time to time and consequently our capital requirements may also change including revision of our capital expenditure programmes.

Schedule of implementation/ utilisation of issue proceeds

(Rs. in lakhs)

S. No	**Particulars**	**Funds Deployed till date**	**April-June 07**	**July – Sept. 07**	**2007-08**	**Total**
1	Investment in capital equipment	Nil	2094.67	0	0	2094.67
2	Funding long term working capital requirements	Nil	1816.80	0	0	1816.80
3	General Corporate purposes		***	***	***	***
4	Meeting the issue expenses	28.90	***	0	0	***
	Total					

Note:
*** General corporate purpose shall be decided based on the size of issue.

Deployment of funds

The expenditure incurred in respect of Public Issue upto 30.03.2007 as certified by the Company's Statutory Auditor, Ajay B. Garg, pursuant to their certificate dated 30.03.2007, was Rs. 28.90 lakhs, as given in the table below:

Deployment of Funds	**Amount (Rs. In lakhs)**
Public Issue Expenses	28.90
Total	**28.90**
Sources of Funds	
Internal Accruals	28.90
Total	**28.90**

Interim Use of Proceeds

The Company's 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 fixed deposits either with nationalised or scheduled commercial banks, as the case may be. Such investments would be in accordance with the investment policies approved by the Board from time to time.

Monitoring of Utilisation of funds

The appointment of monitoring agency was not required in accordance with Clause 8.17 of SEBI (DIP) Guidelines, 2000. We will disclose the utilization of proceeds under a separate head in our Company's balance sheet for fiscal 2007 clearly specifying the purpose for which such proceeds have been utilized. We, in our balance sheet for fiscal 2007, provide details, if any, in relation to all such proceeds of the issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the issue.

The Company, as consideration to Promoters, Directors, Promoter Group Companies, will pay key managerial personnel except in the usual course of business no part of the issue proceeds.

BASIC TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, this Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note 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 as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank pari passu in all respects with the existing Equity Shares including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of allotment.

Mode of Payment of Dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The Equity Shares with a face value of Rs. 10 each are being issued at a premium of Rs.(*) per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

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 of shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and our Memorandum and Articles of Association and Listing Agreement entered into with the Stock Exchanges.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see section titled "Main Provisions of Articles of Association of our Company" on this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares is in dematerialised mode, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. Allotment through this Issue will be done only in electronic form in multiples of 1 Equity Shares subject to a minimum allotment of (*) Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or with the Registrar and transfer agent of our Company. In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or
b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other money's 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 mode, there is no need to make a separate nomination with us. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue including devolvement of the members of the Syndicate, if any, within 60 days from the Bid/ Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest as per Section 73 of the Companies Act. If at least 50% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not offered or sold, and Bids may not be made by persons in any such jurisdiction, except in accordance with the applicable laws of such jurisdiction. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), 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.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting except as provided in our Articles. For further details, see the section titled "Main Provisions of our Articles of Association" beginning on this Draft Red Herring Prospectus.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the BRLMs on the basis of assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs. 10 and Issue Price is Rs. [■] times the face value.

Investors should read the following summary with the risk factors beginning from page iii and the details about our Company and its financial statements included in this Draft Red Herring Prospectus. The trading price of the Equity Shares of the Company could decline due to these risk factors and you may loose all our part of your investments.

QUALITATIVE FACTORS

1. **Our Company is an existing profit making company.**
   The Company has been earning profits in last three years as under:

(Rs. in Lakhs)

Financial Year	**Restated PAT before Extra Ordinary Items**
2003-2004	253.51
2004-2005	160.11
2005-2006	779.49
2006-07 (9 months for the period ended 31.12.2006)	479.50

2. **Professional Management**
   We have a team of qualified persons with relevant experience in their domain. Board of Directors having relevant experience in this industry supports the management team.

3. **Having confirmed orders in hand worth Rs. 15717 Lakhs as on 31.12.2006.**
   Our Company has contracts worth Rs. 15717 lakhs on hand from clients. The details of these orders are mentioned on page 69 of this Draft Red Herring Prospectus.

4. **Joint Ventures**
   We have entered into projects specific Joint Ventures with different companies to meet pre-qualification criteria for various projects tendered by NHAI and other Roads & Building Department of State Governments.

5. **Capital Equipments**
   We own and employ modern, specialized and critical equipment specially in Highway Construction like Excavators, Dumpers, Bulldozers, Crushing Plants, TIL Crane, Sensor etc which are essential to execute projects effectively.

QUANTITATIVE FACTORS:

1. **Adjusted Basic Earning Per Share (EPS)**

Period	**Rupees**	**Weight**
Year ended 31st March, 2004	19.43	1
Year ended 31st March, 2005	10.73	2
Year ended 31st March, 2006	16.56	3
Weighted Average	15.09	-
For 9 months period ending 31.12.2006 (not annualised)	9.40	

2. **Price/Earning (P/E) ratio in relation to Issue Price of Rs. [•]**

Based on the adjusted EPS of Rs. 15.09 for the Financial Year ended 31st March, 2006, the Issue Price at the lower price band of Rs. [•], answers to a P/E multiple of [•] and at higher price band of Rs. [•], it answers to a P/E multiple of [•]

Industry (construction) P/E

i)	**Highest**	**105.1**
ii)	**Lowest**	**6.1**
iii)	**Industry Average**	**29.3**

(Source: Capital Market dated March 26-April 08,2007)

3. **Return on Net worth (RONW)**

Period	**%**	**Weight**
Year ended March 31, 2004	50.51	1
Year ended March 31, 2005	24.18	2
Year ended March 31, 2006	43.49	3
Weighted Average	**38.22**	

4. **Minimum Return on Increased Net Worth to maintain pre-issue EPS of Rs. 15.09 is [•]**

5. **Net Asset Value (NAV) per share:**

- NAV as on March 31, 2006 is Rs 38.07
- NAV as on 31.12.2006 is Rs 62.67
- Issue Price at lower price band Rs. [•]
- NAV after the Issue at lower price band Rs. [•] is [•]
- Issue Price at higher price band Rs. [•]
- NAV after the Issue at higher price band Rs. [•] is [•]

6. Comparison with Industry Peers

The comparable ratios of companies, which are in similar line of business and similar size of operations in terms of total income, are given below:

Name of Company	**Face Value (Rs.)**	**Sales 31.03.2006 (Rs Crores)**	**E.P.S. (Rs.) (TTM)**	**P/E**	**Book Value (Rs.)**	**RONW (%)**
Valecha Engineering	10	151.4	12.2	11.2	170.4	11.6
Unity Infrastructure	10	328.7	18.0	15.8	211.0	35.2
Gayatri Projects	10	371.2	17.5	8.9	122.2	20.9
PBA Infrastructure	10	167.6	7.4	9.1	45.7	24.0
Sadbhav Engineering	10	290.6	10.1		115.0	12.5
C&C Construction	10	211.7	17.2	-	144.0	33.4
Niraj Cement	10	70.04	16.56	-	38.07	43.49

(Source: Capital Market dated March 26-April 08,2007)

The face value of the shares of the Company is Rs. 10/- per share and the issue price of Rs. [•] per share is [•] times of the face value of the shares of the Company.

The BRLMs believe that the issue price of Rs. [*] is justified in view of the above qualitative and quantitative factors. See the section titled "Risk Factors" and "Financial Statements" beginning on page iii and xx of this Draft Red Herring Prospectus, including important profitability and return ratios, as set out in the Auditors Report beginning on page 101 for further information.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Niraj Cement Structurals Limited
Niraj House, Sunder Baug
Opp Deonar Bus Depot
Mumbai 400 088

Dear Sirs,

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

We hereby report that the enclosed statement states the possible tax benefits available to the Company and to the shareholders, of the Company under the Income tax Act, 1961 (provisions of Finance Act, 2006), Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the Selling Shareholders, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

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

For Ajay B Garg
Chartered Accountant

A. Garg
Proprietor

Dated: 30.03.2007
Membership No. 32538

STATEMENT OF TAX BENEFITS AVAILABLE TO NIRAJ CEMENT STRUCTURALS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

1. BENEFITS TO THE COMPANY 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.

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.

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.

Computation of Capital Gains
Capital assets may be categorized 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".

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.

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).

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 fund where the transaction of sale is chargeable to Securities Transaction Tax ("STT") shall be subject to tax at a rate of 10 percent (plus applicable surcharge and education cess).

Exemption of capital gain from income tax

- Under section 10(36) of the Act, long term capital gains arising on eligible equity share in a company (acquired on or after the 1st day of march 2003 and before the 1st day of march 2004) sold through a recognised stock exchange in India will be exempt from 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. 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.

Other specified deductions

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

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.

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.

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;

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, 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.

Subject to compliance with certain conditions laid down in section 80-IA (12) of the Act, the company will enjoy 100% tax exemption for 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.

Under section 115 JAA (1A) of the Act, tax credit shall be allowed of any tax paid (MAT) under section 115 JB of the Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years succeeding the year in which the MAT becomes allowable.

As per the provisions of Section 90, for taxes on income paid in Foreign Countries from projects/activities undertaken thereat, the company will be entitled to the deduction from the Indian Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries.

2. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS:

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.

Computation of capital gains

Capital assets may be categorized 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".

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.

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).

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).

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. In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act. 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.
- According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. 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.

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.

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

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.

Computation of capital gains
Capital assets may be categorized 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".

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).

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).
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).

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, 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.

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.

  In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act. 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.
- ❖ According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. 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.

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.

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

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.

Computation of capital gains

Capital assets may be categorized 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".

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.

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).
In case investment is made in Indian rupees, the long-term capital gain is to be computed after indexing the cost.

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).

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).

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.
  In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act.

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.

- ❖ According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

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.

5. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIS'):

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.

Taxability of capital gains

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.

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.

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.

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.

6. BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of section 10(23D) of the Act, any income of mutual funds registered under the Securities And Exchange Board of India Act, 1992 or regulations made there under, mutual funds set up by public sector banks or public financial institutions or authorized by the reserve bank of India would be exempt from income tax. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115R of the Act.

7. 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.

8. 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.

9. BENEFITS AVAILABLE 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.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2006.
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.

SECTION VI – ABOUT US

INDUSTRY OVERVIEW

The information in this section has been extracted from publicly available documents prepared by various sources, including officially prepared materials from the Government and its various ministries, the RBI and various Authorities / institutions and has not been prepared or independently verified by us or any of our advisors. The data source has been mentioned wherever relevant however the language of the same is modified so as to make it relevant in the context.

(Sources of information for this section: Planning Commission, Economic Survey 2005-06, NHAI, and ETIG)

The Indian Economy

India is the third largest economy in the world in terms of purchasing power *parity* gross domestic product ("GDP") (source: International Monetary Fund, 2007) and twelfth largest economy in the world in term of absolute GDP for 2005, with a GDP ofU8$785 billion (source: World Bank).

The economy has experienced rapid growth in recent years with the GDP growth being 8.5%, 7.5%, 8.4% and 9.2% in fiscal 2004, 2005, 2006 and for the second quarter of fiscal 2007, respectively). The economy is expected to continue growing at a rapid pace with the RBI projecting a GDP growth rate of 8.5% to 9.0% for fiscal 2007. Foreign Direct Investment ("FDI") has been recognized as one of the important drivers of economic growth in the country. The Government of India has taken a number of steps to encourage and facilitate FDI investment and FDI is allowed in many key sectors of the economy, such as manufacturing, services and infrastructure. For many such sectors, 100% FDI is allowed on an automatic basis, i.e., without the prior approval of the Government.

(Source: Reserve Bank of India)

Indian Infrastructure Industry

Infrastructure and its construction can be considered to be two basic inputs for socio-economic development, as they generate substantial employment and provide a growth impetus to other sectors through backward and forward linkages. Construction activity is an integral part of a country's infrastructure and industrial development. According to the Construction Federation of India ("CFI"), construction is the second largest employer after the agriculture sector. Currently, the construction industry in India, directly or indirectly, employs, approximately 32 million workers. According to CFI, the construction industry in India currently has a gross value of output in excess ofRs.3, OOO billion and accounts for more than 6% of India's gross domestic product. The Government's decision to allow 100% FDI in the construction sector has also put the spotlight on a sector that has been growing very rapidly
The construction industry is a vital part of the economy with an output equivalent to about 5.2 per cent of the country's GDP. The industry can be broadly divided into two major segments, infrastructural construction and industrial construction. The infrastructural construction segment comprises of roads, bridges, tunnels etc, while the industrial construction segment comprises of industrial plants, turnkey projects, and civil engineering among others.

Worldwide the construction industry overwhelmingly consists of small and medium sized enterprises. The industry is highly labour intensive and is the second largest employer after agriculture in the country. In addition to those directly involved in the construction process, the industry also accounts for a large proportion of secondary employment created due to forward and backward linkages with ancillary industries.

The construction industry functions in a multi tier system. The project owners contract the project to the main contractor, who then awards subcontracts to several sub contractors depending on the type of jobs, such as plumbing, electrification piling, etc involved in the main contract. The sub contractor, in turn, awards smaller jobs on piece rate basis to labour contractors or thekedars or petty contractors. These contractors then carry out the work with their labour force, which mainly comprises of daily rated temporary/casual workers.

The sector's performance was largely dependent on the central government's spending on physical infrastructure. The share of construction in GDP (constant prices) went down from 6.1 per cent in 1970.71 to 5.2 percent in 2004.05, quite respective of government's inability to bolster infrastructure development. Lack of adequate infrastructure has in turn constrained the growth of the economy.

The sector was accorded the status of industry in the year 2000 only. Since then there has been increased emphasis on involving private sector for infrastructure development through public private ownerships and mechanisms like BOT (Build Operate Transfer), BOOT (Build Operate Own Transfer) and BOLT (Build Operate Lease Transfer).

The last few years has seen the central government take up huge infrastructure projects, mainly the Golden Quadrilateral, East, West and North South corridor, port connectivity, up-gradation of international airports, creating berths and container terminals at seaports, setting up thermal, hydro and nuclear power plants and developing canal structures for increased and improved water supply. All these projects are underway through private participation. Foreign construction companies have also forayed into the Indian construction industry through the joint venture route. In 2005, Government permitted 100 per cent foreign direct investment in the construction sector with the liberty to repatriate profits after a three-year period. Infrastructure investments have picked up in India over the past 2-3 years driven by Government in initiatives and increased private participation. An investment of Rs12, 660bn is estimated to flow into the Indian infrastructure sector over FY08-12, which would translate into construction orders worth Rs7, 086bn.

[Source: March 2007 Indian Industry: A Monthly Review, Centre for Monitoring Indian Economy]

The government's emphasis on infrastructure development holds a lot of promise for the construction industry. CRISIL assessment of infrastructure projects (underway and proposed) indicates prospective infrastructural construction investments of Rs 1,586 billion, growing at a CAGR of I I per cent over the next 2 years (2006-07 to 2007-08) as compared to Rs 1,290 billion investments in the last 2 years (2004-05 to 2005-06).

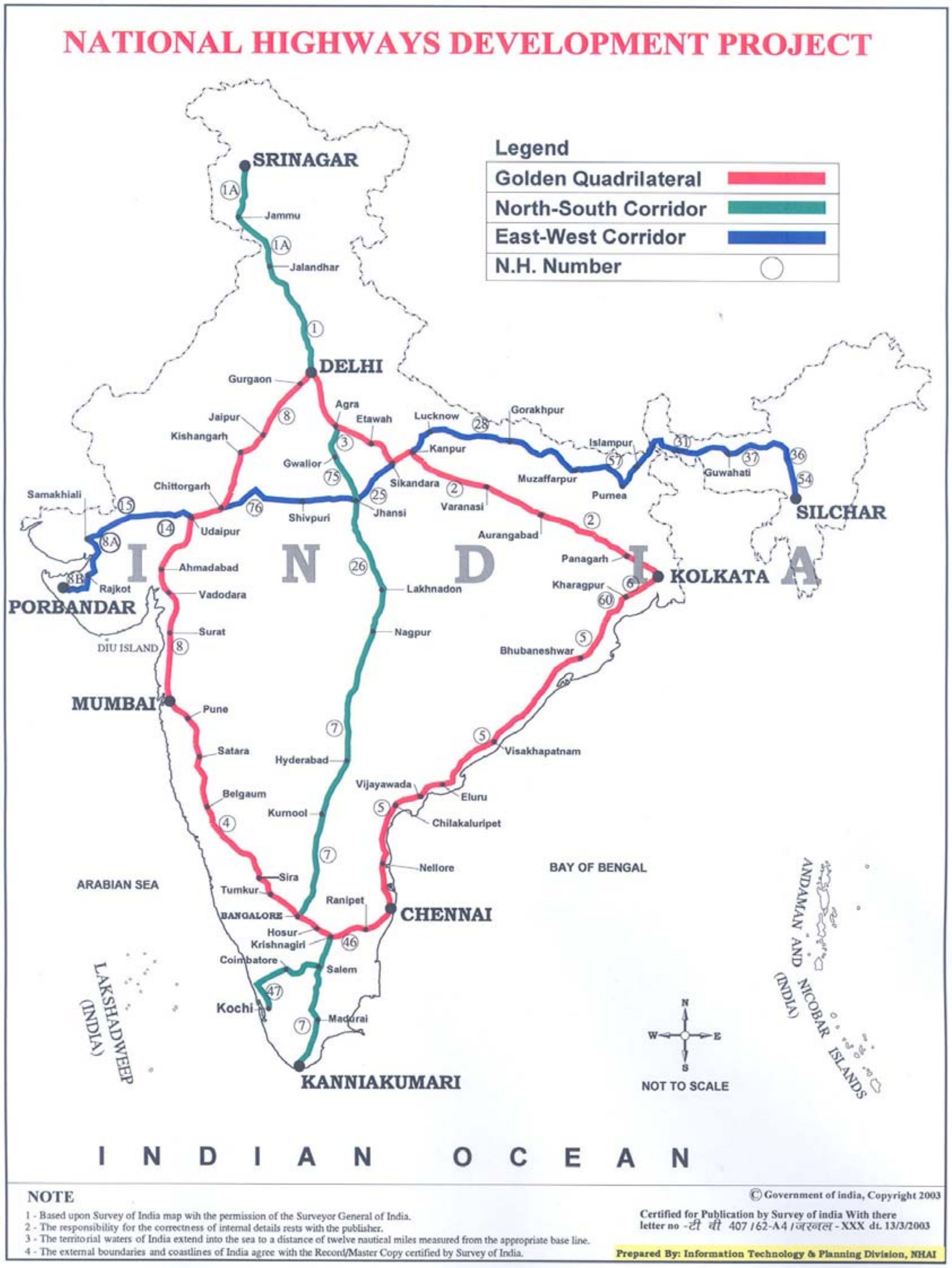
Infrastructure spending						Rs billion					
			Debt						Constructio		%o
SECTOR	Budgetary	Multi	Mark	Intern	Su	Privatisat	Fund	Tota	Component		FY
	Gr	lateral borrowing		Accru	Tot	BOT	not		%	Rs	G
		borrow					tied				
Power	264	270	2,353	384	3,2	2,245		5,516	43	2,349	21.
Roads	228	186	123		537	1,857	80	2,474	10	2,474	9.5
Ports	38	75	50	50	213	345		558	60	335	2.2
Railways	75	50	120	350	595	300	600	1,495	42	628	5.8
Airports	10	25	25	25	85	300	15	400	42	168	1.5
Pipelines			250	150	400			400	40	160	1.5
Irrigation & Water	226	206	321	8	761	25		786	45	354	3.0
Urban infra	97	295	58	60	510	521		1,031	60	619	4.0
Total	938	1,107	3,301	1,027	6,3	5,593	695	12,66	56	7,086	48.

Source: Plan documents

ROAD PROJECTS:

Roads to contribute around 39 per cent of the total infrastructural construction investments over the next 2 years. Investment in the roads sector is likely to increase from Rs 362 billion in the past 2 years (2004-05 to 2005-06) to Rs 621 billion in the next 2 years on account of the highest ever awarding (nearly 5000 km) witnessed in 2005. Although, at present there is a momentary lull in the NHDP awarding activity, momentum is expected to regain in 2007, which shall increase the exposure of the order book positions of the construction companies to the transport sector.

The flagship programme to develop and upgrade the long-neglected Indian national highways is the National Highways Development Programme (NHDP). Besides NHDP, the road sector in India will witness a greater level of development activity through road programmes like the Pradhan Mantri trameen Sadak Yojana (PMGSY), and Special Accelerated Road Development Programme (SARDP-NE) and also on account of the state-level activities to be witnessed in some states.



As per CRIS INFAC estimates, construction investments in infrastructure are expected to grow at a CAGR of 9%, driven by investments in roads, water supply and sanitation and irrigation, which are supported by regulation/government policies, increasing private sector participation and availability of funds (budgetary supports and multilateral funds).

Road construction projects in India

Central Budget funding of NHAI has doubled to approx. Rs. 66 billion p.a from FY06, given the 100% allocation of the 50paise increase in petroleum cess to NHAI. This should support overall funding of Rs. 540 billion from cess over seven years. Since the government does not have the resources to make such investments on its own, rest of the funding is planned through private investment (Build Own Operate Transfer -BOOT)) and annuity projects that are designed to encourage private participation in roads worth Rs. 750bn and leveraging cess to the extent of Rs. 430bn through tax-free NHAI bonds. The BOT and PPP projects in India are reaching a stage of maturity in terms of public and polity perceptions. The private sector participation in highways has experienced gradual growth. As of now BOT projects worth Rs.31 billion and annuity projects worth Rs.22 billion have been awarded to the private sector. With favorable policy framework in place and specific measures by the Government to augment finance, the road and highway sector presents attractive (equity IRR of 18-20%) business and investment opportunities (for financiers such as banks). Under such contracts, the contractor invests in building the road and maintaining it for upto 30 years and then transfers it back to the NHAI at zero cost. A BOT project may be one of the three kinds:

_ Toll based: The contractor recovers its costs and earns its revenues by collecting toll on the route. Hence, the contractor runs the risk of traffic volume and toll rates, as his returns are completely dependent on toll collections _ Annuity: The contractor receives periodic payments on a yearly or six monthly basis from the government, for a period upto 15 years. The contractor has to maintain the road for this period and then transfer it to the government at zero cost. In this system, the government collects toll, so the contractor's returns are independent of traffic volumes or toll rates.

_ Grant: This variant is a hybrid of the toll based and annuity systems; the government pays a capital grant to make up for the difference between the BOT and operator's return expectations, and toll revenue. The grant is capped at 25% of the required funds, and may be either a one-time payment, or spread over up to ten years, depending on the project. The bidding variable for such projects is the amount of the capital grants.

Indian Road network scenario
(Source: NASSCOM website)

India has the second largest road network in the world totaling more than 3.3 million kilometers. (Kms). Of the total road network, National highways (NH) measure 58,112 kms, which is less than 2 percent of the total road length and still they cater to 45 percent of the total road traffic. India has a road length of 2.6 kms/thousand persons, and about 76 kms/km² of land.

Indian Road Network	
Indian road network of 33 lakh Km. is second largest in the world and consists of:	
Expressways	200
National Highways	66,590
State Highways	1,31,899
Major District Roads	4,67,763
Rural and Other Roads	26,50,000
Total Length	33 Lakhs Kms (Approx)

- About 65% of freight and 80% passenger the roads carry traffic.
- National Highways constitute only about 2% of the road network but carry about 40% of the total road traffic.

Number of vehicles has been growing at an average pace of 10.16% per annum over the last five years.

Status of National Highways as on 28th February, 2007	
Single Lane/Intermediate Lane	35%
Double Lane	55%
Four or more Lanes	10%

(SOURCE: NHAI WEBSITE)

The Indian road network is divided into two categories -
_ Urban Network, and
_ Non-urban Network - further divided into 3 main classes

The National Highways (NH) - traverse all the States, and form a principal network for overall commercial,
And strategic transportation requirements.

The State Highways (SH) - serve as main roads in the States, and

The District Roads - that take traffic from the main roads to the interior of the districts. District roads are further sub-divided into

1. Major District Roads (MDR),
2. Other District Roads (ODR), and
3. Village Roads (VR).

Responsibility for the development and maintenance of National Highways rests with the Central Government of India, while all other roads are the responsibility of concerned State Governments and local bodies. Industrialization has induced a traffic growth of 8-12 percent per year on many sections of National Highways and this growth trend is expected to continue. While traffic on the National Highways has been growing at a rapid pace, it has not been possible for the Government to provide matching funds due to competing demand from other priority sectors.

However, to obtain the inflow of resources for the development, maintenance and management of National Highways and to bring in a competitive environment, the Government of India, in line with its liberalization policy, has initiated steps to get private investment in the sector.

National Highways Authority of India and its Programs
(Source: NHAI website)

The National Highways Authority of India (NHAI) was constituted by an act of Parliament, the National Highways Authority of India Act, 1988. It is responsible for the development, maintenance and management of National Highways entrusted to it and for matters connected or incidental thereto. NHAI is mandated to implement National Highways Development Project (NHDP) which is: _ India 's Largest ever highways project _ World class roads with uninterrupted traffic flow.

In addition to the implementation of NHDP, the NHAI is also responsible for implementing of other projects on National Highways (mainly road connectivity to major ports in India) at an estimated cost of Rs. 4,000 crore (at 1999 prices) (USD 0.913 billion).

Projects Under Implementation as on 28th February 2007

S.no	Stretch	NH No	Length(Km)
On Golden Quadrilateral			
Kolkata to Delhi on NH 2			
1	Etawah Bypass (Balance Work)	2	13.6
2	Allahabad Bypass Contract-I (Bridge)	2	1.02
3	Fatehpur - Khaga (TNHP/II-C)	2	77
4	Kanpur-Fatehpur (GTRIP/II-B)	2	51.5
5	Sikandara-Bhaunti (TNHP/II-A)	2	62
6	Etawah - Rajpur (GTRIP/I-C)	2	72.825
7	Shikohabad-Etawah (GTRIP/I-B)	2	59.02
8	Agra-Shikohabad (GTRIP/I-A)	2	50.83
9	Vivekananda Bridge and Approach	2	6
10	Gorhar - Barwa Adda (TNHP/V-C)	2	78.75
11	Barachatti - Gorhar (GTRIP/V-B)	2	80
12	Aurangabad - Barachatti (TNHP/V-A)	2	60
13	Sasaram - Dehri on-sone (GTRIP/IV-C)	2	30
14	Varanasi - Mohania (GTRIP/IV-A)	2	76

15	Allahabad Bypass Contract-III	2	44.708
16	Allahabad Bypass Contract-II	2	38.987
17	Handia - Varanasi (TNHP/III-C)	2	72
18	Chitradurga Bypass	4	18
19	Harihar - Chitradurga	4	77
20	Haveri - Harihar	4	56
21	Tumkur Bypass	4	13
22	Katraj - Sarole (PS-3)	4	28.5
23	Kanchipuram - Poonamalee	4	56.4
24	Hubli - Haveri	4	64.5
25	Belgaum - Dharwad	4	62
26	Chitradurga - Sira	4	66.7
Chennai to Kolkata on NH 5,6 and 60			
27	Ganjam - Icchapuram (OR-VIII) (Balance work)	5	50.8
28	Srikakulam - Champawati (AP-1) (Balance Work)	5	48
29	Balasore - Bhadrak (OR-III)	5	62.64
30	Sunakhala - Ganjam (OR-VII)	5	55.713
31	Bridges section (OR-V)	5	11.587
32	Bhubaneswar - Khurda (OR-I)	5	26.3
33	Dhankuni - Kolaghat (WB-I)	6	54.4
34	Bridges section (WB-III)	6	1.732
35	Laxmannath - Baleshwar (OR-4)	60	53.41
On North South & East West Corridor Phase I			
East-West			
36	Lucknow - Kanpur (EW/3A)	25	16
37	Purnea - Gayakota (EW-12/BR)	31	28
38	Purnea - Gayakota (EW/4)	31	15.15
39	Lucknow Bypass (EW-15/UP)	56A & B	22.85
North-South			
40	Six laning of Panchi Gujran to Kamaspur (Sonepat) (NS-17/HR)	1	21.7
41	Eight laning of Haryana/ Delhi Border to Mukaraba Chowk (NS-18/DL)	1	12.9
42	Kunjwani to Vijaypur (NS-15/J&K)	1A	17.2
43	Nandi Hills Cross to Devanhalli & Six laning of Meenukunte to Habbal (NS-24/KN)	7	25
44	Gundla Pochampalli to Bowenpalli Shivarampalli to Thondapalli (NS-23/AP)-Balance Work	7	23.1

45	Thumpipadi to Salem (NS-26/TN)	7	19.2
On North South & East West Corridor Phase II			
East-West			
46	Deesa to Radhanpur (Package-VI)	14	85.4
47	Palanpur to Swaroopganj (Rajasthan -42 km & Gujarat-34 km)	14	76
48	Radhanpur to Gagodhar (Package-V)	15	106.2
49	Gagodhar to Garamore (Package-IV)	15, 8A	90.3
50	Bara to Orai	2, 25	62.8
51	Jhansi-Shivpuri (EW-II - MP-2)	25	35
52	Orai to Jhansi (UP-5)	25	50
53	Jhansi Bypass (UP-3)	25	15
54	Jhansi-Shivpuri (UP/MP-1) (UP-11 km & MP - 30 km)	25	41
55	Ganga Bridge to Rama Devi Crossing (UP-6)	25	5.6
56	Orai to Jhansi (UP-4)	25	66
57	Shivpuri Bypass & upto MP/RJ Border(EW-II - MP-I)	25, 76	53
58	Mehsi to Kotwa (LMNHP-11)	28	40
59	Ayodhya-Lucknow (LMNHP-1)	28	36
60	Ayodhya-Lucknow (LMNHP-2)	28	47
61	Ayodhya-Lucknow (LMNHP-3)	28	41.925
62	Gorakhpur-Ayodhya (LMNHP-4)	28	29
63	Gorakhpur-Ayodhya (LMNHP-5)	28	44
64	Gorakhpur Bypass	28	32.6
65	Muzzaffarpur to Mehsi (LMNHP-12)	28	40
66	Deewapur to UP/Bihar Border (LMNHP-9)	28	41.085
67	Kotwa to Dewapur (LMNHP-10)	28	38
68	Gorakhpur-Ayodhya (LMNHP-6)	28	43.7
69	Kasia to Gorakhpur (LMNHP-7)	28	40
70	UP/Bihar Border to Kasia (LMNHP-8)	28	41.115
71	Nalbari to Bijni (AS-7)	31	27.3
72	Nalbari to Bijni (AS-6)	31	25
73	Nalbari to Bijni (AS-8)	31	30
74	Nalbari to Bijni (AS-9)	31	21.5
75	Brahmputra Bridge (AS-28)	31	5
76	Silliguri to Islampur (WB-6)	31	25
77	Siliguri to Islampur (WB-7)	31	26
78	Guwahati to Nalbari (AS-4)	31	28
79	Guwahati to Nalbari (AS-5)	31	28

80	Assam/WB Border to Gairkatta (WB-1)	31C	32
81	Bijni to Assam/WB Border (AS-10)	31C	33
82	Bijni to Assam/WB Border (AS-11)	31C	30
83	Bijni to Assam/WB Border (AS-12)	31C	30
84	Daboka to Nagaon (AS-17)	36	30.5
85	Nagaon bypass (AS-18)	37	23
86	Sonapur to Guwahati (AS-3)	37	19
87	Dharamtul to Sonapur (AS-20)	37	22
88	Dharamtul to Sonapur (AS-19)	37	25
89	Nagaon to Dharmatul (AS-2)	37	25
90	Harangajo to Maibang (AS-22)	54	24
91	Harangajo to Maibang (AS-23)	54	16
92	Maibang to Lumding (AS-27)	54	21
93	Lanka to Daboka (AS-16)	54	24
94	Maibang to Lumding (AS-25)	54	28
95	Silchar-Udarband (AS-1)	54	32
96	Maibang to Lumding (AS-24)	54	15
97	Lumding to Daboka (AS-15)	54	18.5
98	Maibang to Lumding (AS-26)	54	23
99	Harangajo to Maibang (AS-21)	54	26
100	Darbanga to Muzzaffarpur (BR-8)	57	40
101	Purnea-Forbesganj (BR-2)	57	38
102	Purnea-Forbesganj (BR-1)	57	41
103	Darbanga to Muzzaffarpur (BR-9)	57	30
104	Forbesganj-Simrahi (BR-3)	57	40
105	Simrahi to Ring bund (missing link) (BR-4)	57	15
106	Kosi Bridge including approaches and Guide Bond & Afflux Bond (BR-5)	57	10
107	Ring bunds to Jhanjharpur (BR-6)	57	45
108	Jhanjhapur to Darbanga (BR-7)	57	40
109	Kota to Chittorgarh (RJ-7)	76	63
110	Kota to Chittorgarh (RJ-8)	76	65
111	Gogunda to Udaipur (RJ-3)	76	31
112	Bakaria to Gogunda (RJ-2)	76	44
113	Chittorgarh Bypass (RJ-6)	76	40
114	Chambal Bridge (RJ-5)	76	1.4
115	RJ/MP Border to Kota (RJ-10)	76	59.85
116	Kota Bypass (RJ-4)	76	25

117	RJ/MP Border to Kota (RJ-11)	76	70
118	RJ/MP Border to Kota (RJ-9)	76	43.15
119	Swaroopganj to Bakaria (RJ-1)	76, 14	43
120	Garamore to Bamanbore (Package-III)	8A	71.4
121	Bhiladi to Porbandar (Package-I)	8B	50.5
122	Jetpur to Bhiladi (Package-II)	8B	64.5
123	Rajkot Bypass & Gondal Jetpur (Package-VII)	8B	36
North-South			
124	Phagwara Junction on NH-1	1	1
125	Panipat Elevated Highway	1	10
126	Panipat to Panchi Gujran (Six laning work) (NS-89/HR)	1	20
127	Pathankot to Bhogpur (NS-38/PB)	1A	40
128	Vijaypur to Pathankot (NS-34/J&K)	1A	33.65
129	Jammu to Kunjwani (Jammu Bypass) NS-33/J&K	1A	15
130	Vijaypur to Pathankot (NS-35/J&K)	1A	30
131	Pathankot to Jammu & Kashmir Border (NS-36/J&K)	1A	19.65
132	Pathankot to Bhogpur (NS-37/PB)	1A	44
133	Srinagar Bypass (Bridge Portion) (NS-30A)	1A	1.23
134	Srinagar Bypass (Road Portion)(NS-30)	1A	17.8
135	Jhansi to Lalitpur (NS-1/BOT/UP-2)	25, 26	49.7
136	Sagar Rajmarg choraha (ADB-II/C-7)	26	42
137	Rajmarg Choraha to Lahknadon (ADB-II/C-8)	26	54
138	Sagar -Rajmarg Choraha (ADB-II/C-6)	26	44
139	Jhansi to Lalitpur (NS-1/BOT/UP-3)	26	49.3
140	Lalitpur Sagar (ADB-II/C-3)	26	38
141	Rajmarg Choraha to Lakhandon (ADB-II/C-9)	26	54.7
142	Sagar Bypass (ADB-II/C-5)	26	26
143	Lalitpur - Sagar (ADB-II/C-4)	26	55
144	Salem to Kerala Border Section (TN-7)	47	48.51
145	Salem to Kerala Border Section (TN-6)	47	53.525
146	Thrissur to Angamali (KL-I)	47	40
147	Lakhnadon to MP/MH Border (NS-1/BOT/MP-3)	7	56.475
148	MH/AP border to Islam Nagar (NS-2/BOT/AP-6)	7	55
149	Thopurghat to Thumpipadi (NS-25/TN)	7	16.6
150	Borkhedi-Jam (NS-22/MH)	7	27.4
151	Salem to Karur (NS-2/TN-3)	7	33.48

152	Karur to Madurai (TN-4)	7	68.125
153	Wadner-Devdhari (NS-60/MH)	7	29
154	Devdhari-Kelapur (NS-61/MH)	7	30
155	Kadal to Armur (NS-2/BOT/AP-8)	7	31
156	Hyderabad Bangalore section (ADB-11/C-13)	7	40
157	Madurai-Kanniakumari Section(NS-41/TN)	7	39.51
158	Madurai-Kanniakumari Section (NS-40/TN)	7	38.86
159	Kelapur-Pimpalkhatti (NS-62)	7	22
160	Hyderabad Bangalore section (ADB-11/C-15)	7	45.6
161	Kadloor Yellareddy to Gundla Pochampalli (NS-2/BOT/AP-2)	7	85.74
162	Hyderabad Bangalore section (NS-2/BOT/AP-5)	7	74.65
163	Hyderabad Bangalore section (ADB-11/C-10)	7	40
164	Hyderabad Bangalore section (ADB-11/C-12)	7	42.6
165	Hyderabad Bangalore section (ADB-11/C-14)	7	42
166	Madurai-Kanniakumari Section (NS-42/TN)	7	42.7
167	km 120 of Madurai - Tirunelveli Section to Panagudi (km 203) (NS-43)	7	43
168	Farukhanagar to Kottakata (NS-2/AP-3)	7	46.162
169	Hyderabad Bangalore section (ADB-11/C-11)	7	42.4
170	Lakhnadon to MP/MH Border (NS-1/BOT/MP-2)	7	49.35
171	Kanniyakumari-Panagudi(NS-32)	7	30.6
172	Salem to Karur (NS-2/TN-2)	7	41.55
173	Karur to Madurai (TN-5)	7	53.025
174	Krishnagiri to Thopurghat (NS-2/TN1)	7	62.5
175	Madurai to km 120 of Madurai - Tirunelveli Section including Madurai Bypass (NS-39)	7	42
176	Butibori ROB(NS-29/MH)	7	1.8
177	Jam-Wadner (NS-59/MH)	7	30
178	AP/Karnatka border- Nandi Hill crossing & Devenhalli to Meenu Kunte Village	7	61.38
179	Farukhanagar to Kotakatta (NS-2/AP-4)	7	55.74
180	Gwalior - Jhansi	75	80
181	Gwalior Bypass (NS-1/BOT/MP-1)	75, 3	42
On Port Connectivity			
Port Connectivity			
182	New Mangalore Port	13, 17 & 48	37

183	Haldia Port	41	53
184	Cochin Port	47	10
185	Paradip Port	5A	77
186	Tuticorin Port	7A	47.2
187	Jawaharlal Nehru Port Phase-II	SH 54	14.35
188	Chennai - Ennore Express Way	SR	9
Other Phase I Projects			
189	Addl. 2-Lane Bridge over Rapti River at Gorakhpur	28	0.4
190	Delhi - Gurgaon Section (Access Controlled 8/6 Lane)	8	27.7
Other Phase II Projects			
191	Hapur - Garhmukteshwar	24	35
192	Garhmukteshwar - Muradabad	24	56.25
193	Construction of 10 km service road and one 2 lane Flyover on Guwahati Bypass (AS -14A)	37	10
194	Padalur - Trichy (Pkg - VI-C)	45	40
195	Ulundurpet - Padalur (Pkg- VI-B)	45	92.75
196	Tindivanam - Ulundurpet (Pkg -VI-A)	45	71.25
197	Chennai Bypass Phase II	45, 4 & 5	32
198	Trichy Bypass end to Tovaramkurchi (Package - VII A)	45B	60.95
199	Tovaramkurchi to Madurai (Package -VII B)	45B	63.89
NHDP Phase III			
NHDP Phase IIIA			
200	Jalandhar - Amritsar	1	49
201	Bharatpur-Mahua	11	57
202	Agra - Bharatpur	11	45
203	Mahua-Jaipur	11	108
204	Kurali - Kiratpur	21	42.9
205	Ambala - Zirakpur	21, 22	36
206	Zirakpur - Parwanoo	22	28.69
207	Sitapur - Lucknow	24	75
208	Dhule - Pimpalgaon	3	118
209	Indore-Khalghat	3	80
210	Guna Bypass	3	14
211	Gonde-Vadape (Thane)	3	100
212	Banglore-Hoskote-Mudbagal Section	4	79.724
213	Madurai-Arupukottai-Tuticorin	45B	128.157

214	Meerut-Muzaffarnagar	58	79
215	Aurang - Raipur	6	45
216	Kondhali - Telegaon	6	50
217	End of Durg Bypass - Chattisgarh / Maharashtra Border	6	82.685
218	Chattisgarh / Maharashtra Border - Wainganga Bridge	6	80.055
219	Nagpur - kondhali	6	40
220	Thanjarur - Trichy	67	56
221	Elevated Highway from Silk board junction to electronic city junction	7	9.98
NHDP Phase V			
NHDP Phase V			
222	Bharuch to Surat Package BOT- II	8	65
223	Vadodara to Bharuch Package BOT-1	8	83.3
NH-34			
NH-34			
224	Dalkola Bypass	34	5.5
Others(Misc.)			
225	Chittorgarh Bypass	79, 76	30

NHAI is currently implementing projects on National Highways of length around 24,000 Km.

NHAI programs are divided into seven phases as given below:

Phases for which in-principle approval have been accorded by the Cabinet

- NHDP (Phase I & II) was launched in 1999 covering a length of nearly 14,000 km at an estimated cost of Rs. 54,000 crores (at 1999 prices) (USD 12.317 billion). Phase I primarily covered the Golden Quadrilateral project (connecting Delhi-Kolkatta-Chennai-Mumbai-Delhi) while Phase II primarily covered the North-South and East-West Corridor (NSEW) project.
- NHDP (Phase III) was launched in 2005 for upgradation and 4 laning of 10,000 km of selected high-density corridors of National Highways at an estimated cost of Rs. 55,000 crore (at 2005 prices) (USD 12.544 billion).
- NHDP (Phase IIIA) aims at connecting state capital and places of economic and tourist importance to Phase I and II covering a length of about 5,500 km and has been planned completely on BOT basis
- NHDP (Phase IIIB) covers a length of 6,063.00 kms and has been planned completely on BOT basis. No section of this phase has yet been awarded.

Phases in Conceptualization stage

- The government has approved Phases IV, V, VI and VII of the National Highway development Programme. NHDP (Phases IV - VII) are to be built under BOT model as Design, Build, Finance and Operate (DBFO) pattern.
- NHDP (Phase IV): Upgradation of 20,000 km of single- and intermediate-lane national highways into two lanes an paved shoulders at an estimated cost of Rs.27,800 crores.
- NHDP (Phase V): Six-laning of 6,500 km of national highways at an estimated cost of Rs.41,210 crores.

❖ NHDP (Phase VI): Development of 1,000 km of expressway at an estimated cost of Rs.16,680 crores

❖ NHDP (Phase VII): Construction of bypasses, flyovers, railway overbridges at required locations at an estimated cost of Rs.16,680 crores.

Port connectivity projects (Source: NHAI website)

❖ As on August 31, 2006, there were 8 projects under implementation for connecting major ports on SPV model covering a length of about 260 kms.

Other projects (Source: NHAI website)

❖ As on August 31, 2006, there were 16 projects under implementation for varied jobs on BOT model covering a length of about 639 kms.

❖ National Highways Development Project is being implemented in 4 phases I, II ,II IA & V at present. The present phases under Phase I, II & IIIA envisages improving more than 25,785 km of arterial routes of NH Network to international standards. NHDP Phase I & II are likely to be completed by December 2008 whereas NHDP Phase IIIA is scheduled for completion by December 2009. In addition to above, 6 laning of 148 km has been awarded 6 laning is proposed under NHDP Phase V. The project-wise details NHDP Phase I, II, IIIA & V

NHDP & Other NHAI Projects

(Status : 31st January, 2007)

	NHDP					Port Connectivity	Others	Total by NHAI
	GQ	NS - EW Ph. I & II	NHDP Phase IIIA	NHDP Phase V	NHDP Total			
Total Length (Km.)	5,846	7,300	4000	6500	23,646	380	945	24,971
Already 4-Laned (Km.)	5,521	964	30	-	6,515	140	287	6942
Under Implementation (Km.)	325	5,266	1296	148	7,035	219	638	7,892
Contracts Under Implementation (No.)	35	146+	20	2	203	7	16	226
Balance length for award (Km.)	-	908	2674	6,352	9,934	21	20	9,975

NHDP completion status (km): December 31, 2006 Table 2

	U	GQ	NSEW	Port	Oth	Phase	Phas	To
			connectivity					
Total length	K	5.8	7,3	380	945	4,000	6,500	
Completed till date	K	5,5	882	135	287	30	0	6,8
Under implementation	K	34	5,3	224	638	1,296	148	8,0
Contracts under	N	35	147	7	16	7	2	21
Balance length for award	K	0	A1,	2	20	A2,67	6,35	3,

GO corridor-wise details (December 31, 2006)				
Stretch	Length (km)	4-laned	UI	Completio
Delhi-Mumbai	1,419	1,419	0	*100%*
Mumbai-Chennai	*1,290*	1,237	53	96%
Chitrdurga bypass	18	Re-		
Kolkata-Chennai	1,684	1,561	123	93%
Ganjam-Ichchapuram	51	Re-		
Srikakulam-Champawati	48	Re-		
Delhl-Kolkata	1,453	1,284	169	88%
Itawah bypass	14	Re-		
Shikohabad-Itawah	59	Re-		
Total	5,846	*5,501*	345	9
UI: Under implementation; NHAI: National Highways Authority				

Source: NHAI and CRISIL

Projects under implementation
PROJECTS UNDER IMPLEMENTATION
Port Connectivity & Others - Projects Under Implementation
Status: 28th February 2007

S.NO Stretch State Funded By	NH	Length (Km)	Date of Start MM/YYYY	Completion Original MM/YYYY / *Completion Estimated MM/YYYY*	*Contractor & Nationality* / *Supervision Consultant & Nationality*
Port Connectivity					
1 Haldia Port NH-41 (from Kolaghat on NH-6 to Haldia) West Bengal SPV	41	53	Sep 2002	Mar 2005 Dec 2007	CWHEC - HCIL (JV)- Chinese - Indian JV- M/S CES (I) Ltd.- Indian -
2 New Mangalore Port NH-17 (Suratkal-Nantur Section), NH-48 (Padil Bantwal Section) Karnataka SPV	13, 17 & 48	37	Jun 2005	Dec 2007 Jun 2008	IRCON International Ltd.- Indian- M/s SNC Lavalin International Inc - SAI Consl. Eng. Pvt Ltd. (JV)- Canadian - Indian -
3 Tuticorin Port NH-7A (Tuticorin - Tirunelveli section) Tamil Nadu SPV	7A	47.2	Feb 2004	Aug 2006 Dec 2007	Mecon-GEA Energy System (I) Ltd. (JV)- Indian- M/S BCEOM French Engg. Consultant & Nag Infrastructure Ltd.- French - Indian -
4 Paradip Port NH-5A (from km 0 to km 77) Orissa SPV	5A	77	Feb 2004	Feb 2007 Dec 2007	Hindustan Construction Company Ltd.- Indian- Lea Associates South Asia Pvt. Ltd.- Indian -

5 Chennai - Ennore Express Way TPP Road, Inner Ring Road & Manali Oil Refinery Rd. Tamil Nadu SPV	SR	9	May 2006	Dec 2007	East Coast Construction & Industries Ltd.- Indian-
				Dec 2007	Tamilnadu Road Development company Ltd. (TNRDC)- Indian -
6 Cochin Port km 348/382 - km 358 750 Including 5 Major Bridges Kerala SPV	47	10	Feb 2004	Aug 2006	Mecon-GEA Energy System (I) Ltd. (JV)- Indian-
				Dec 2007	Dalal - Mott Mc Donald in association with Arch Consultancy- Indian -
7 Jawaharlal Nehru Port Phase-II SH-54 + Amramarg + Panvel Creek Bridge Maharashtra SPV	SH 54	14.35	Nov 2004	May 2007	Jog - Shirke (JV)- Indian-
				May 2007	M/S Stup Consultants- Indian -
Others Projects					
8 Delhi - Gurgaon Section (Access Controlled 8/6 Lane) km 14.3 - km 42 Delhi(9.7)/Haryana(18) BOT	8	27.7	Apr 2002	Jul 2005	Jaiprakash Industries Ltd. - DS Constt. Ltd.- Indian - UK JV-
				Jun 2007	M/s RITES Ltd. -Sheladia-LR Kadiyali (JV)- Indian- USA -
9 Tindivanam - Ulundurpet (Pkg -VI-A) km 121 - km 192.25 Tamil Nadu BOT	45	71.25			GMR Infras. Ltd. - GMR Energy Ltd.(GMR Ulundrupet Expr. Pvt. Ltd.)- Indian-
					ICT Ltd.- Indian -
10 Ulundurpet - Padalur (Pkg- VI-B) km 192.25 - km 285.00 Tamil Nadu BOT	45	92.75			IJM - Sapoorji Pallonji (JV) (Trichy tollway Pvt. Ltd.)- Malasian - Indian-
					- -
11 Padalur - Trichy (Pkg - VI-C) km 285.00 - km 325.00 Tamil Nadu BOT	45	40			Navayuga - Indu - Abhisek Consortium (Indu Navayuga Infras. Pvt. Ltd.)- Indian-
					- -
12 Tovaramkurchi to Madurai (Package -VII B) Km 60.95 to Km 124.84 Tamil Nadu NHAI	45B	63.89	Feb 2006	Aug 2008	Aggarwal - JMC (JV)- Indian-
				Aug 2008	Dalal Matt Macdonald- UK -
13 Trichy Bypass end to Tovaramkurchi (Package -VII A) Km 0 to Km 60.95 Tamil Nadu NHAI	45B	60.95	Feb 2006	Aug 2008	Aggarwal - JMC (JV)- Indian-
				Aug 2008	Dalal Matt Macdonald- UK -
14 Addl. 2-Lane Bridge over Rapti River at Gorakhpur Uttar Pradesh NHAI	28	0.4	Mar 2004	Mar 2006	UP State Bridge Corporation Ltd. (UPSBC)- Indian-
				Mar 2007	To be Appointed- -

15 Chennai Bypass Phase II Tamil Nadu NHAI	45, 4 & 5	32	May 2005	Nov 2007	Hindustan Construction Company Ltd.- Indian-
				Jan 2008	M/s Span Consultant Pvt. Ltd.- Indian -
16 Hapur - Garhmukteshwar km 58 - 93 Uttar Pradesh NHAI	24	35	Mar 2005	Sep 2007	UP State Bridge Corporation Ltd. (UPSBC)- Indian-
				Sep 2007	M/s Span Consultant Pvt. Ltd.- Indian -
17 Garhmukteshwar - Muradabad Km 93 - 149.25 Uttar Pradesh NHAI	24	56.25	Mar 2005	Sep 2007	PNC Construction Co. - BEL (JV)- Indian-
				Sep 2007	M/s Span Consultant Pvt. Ltd.- Indian -
18 Improvement of Access of GQ within Chennai City including Construction of 4 grade Seperators Tamil Nadu MORTH	205, 4 & 45	4	Apr 2005	Apr 2007	Somdutt Builders- Simplex (JV)- Indian-
				Apr 2007	TNRDC (Engg.)- Indian -
19 Construction of 10 km service road and one 2 lane Flyover on Guwahati Bypass (AS -14A) Km 146 to Km 156 Assam NHAI	37	10	Aug 2005	Aug 2007	Maheshwari Brothers Ltd.- Indian-
				Aug 2007	M/s RITES Ltd.- Indian -
20 Chittorgarh Bypass km 159 to km 213 Rajasthan NHAI	79, 76	30	Aug 2005	Aug 2007	Ashoka Valecha (JV)- Indian-
				Jun 2008	CPCS Upham Corp.- USA -
21 Karur to Kangayam (KC-1) km 218.200 to km 277.400 Tamil Nadu MORTH	67, KC1	59.2	Aug 2006	Aug 2008	SRC Projects (P) Ltd.- Indian-
				Aug 2008	Feedback Turnkey Engg. Pvt. Ltd.- Indian -
22 Kangayam to Coimbatore km 277.400 to km 332.600 Tamil Nadu MORTH	67, KC2	55.2	Aug 2006	Aug 2008	SRC Projects (P) Ltd.- Indian-
				Aug 2008	Feedback Turnkey Engg. Pvt. Ltd.- Indian -
23 Lalapet ROB km 183.400 Tamil Nadu MORTH	67	0	Mar 2006	Sep 2007	Nagarjuna Construction Co. Ltd.- Indian-
				Sep 2007	Tamilnadu Road development Company ltd.- Indian -

SOURCE : NHAI WEBSITE

Most of these projects (cumulatively over 30,000 kms) are still in the conceptualisation stage, although in some cases certain stretches have been identified. NHAI has planned to complete all of them on BOT -toll or BOT annuity basis. The Cabinet has given an in-principle approval to all the projects, but in all probability (assuming that NHAI will be the implementing authority) the awarding process for these phases is unlikely to begin before 20 I 0 due to logistical constraints and also because NHAI's prime focus will almost certainly be to try and wrap up the award process for the remainder of GQ, NSEW and Phase III and Phase V before embarking on these projects. In addition, some of CRlSIL Research's sources confided that the government has not yet made up its mind on who would be the implementing authority for Phase IV

This phase entails six-laning of the previously four-laned roads covering a total length of 6,500 kms, of which around 5,600 kms fall under the GQ. The fact that most of the GQ stretches have just reached completion .highlights the lack of adequate planning that went into four-laning of GQ in the first place

The boom in infrastructure sector would result in a strong order flow for construction companies from a short- as well as long-term perspective. Considering that massive investments are earmarked for infrastructure, we expect construction companies to book new orders across sub-segments of infrastructure (roads, power, airports, ports, irrigation, etc) over the next 1-2 years. Consequently, construction companies are likely to report strong order backlogs and healthy book-to-bill ratios

The companies receive client advances after bagging orders, which limits the requirement of capital to grow aggressively. Most of the construction contracts have cost escalation clauses, which insulates the construction companies from raw material price pressure. As a result, the strong order backlog is likely to fuel the strong growth in the construction companies' earnings.

However, the fragmentation is lesser in the industrial/infrastructure industry than in housing entities since this sector requires far more technical expertise. Although, the construction sector is not fixed capital intensive, it is working capital intensive in terms of gross working capital requirements (typically 130 days, due to high levels of receivables and long project gestation periods). Most projects, especially infrastructure, have a gestation period of more than one year. In addition, a delay in payments from government agencies results in a high level of receivables. Construction investments accounts for nearly 12.8% of the GDP and around 52% of the Gross Capital Formation. The construction sector came into the limelight in 2002-03, with the Government's increased focus on the infrastructure sector. As per CRIS INFAC estimates, the performance of the construction industry would continue to get better, with the proposed government spending in the infrastructure sector and the rebound in industrial investments. (Source: CRIS INFAC Construction Report, February 2006).
As per CRIS INFAC estimates, construction investments in infrastructure are expected to grow at a CAGR of 9%, driven by investments in roads, water supply and sanitation and irrigation, which are supported by regulation/government policies, increasing private sector participation and availability of funds (budgetary supports and multilateral funds).

GOVERNMENT POLICY INITIATIVES

Policy initiatives for attracting private investments

- Government will carry out all preparatory work including land acquisition and utility removal. Right of way (ROW) to be made available to concessionaires free from all encumbrances.
- NHAI / GOI to provide capital grant up to 40% of project cost to enhance viability on a case to case basis
- 100% tax exemption for 5 years and 30% relief for next 5 years, which may be availed of in 20 years.
- Concession period allowed up to 30 years
- Arbitration and Conciliation Act 1996 based on UNICITRAL provisions.
- In BOT projects entrepreneur are allowed to collect and retain tolls
- Duty free import of specified modern high capacity equipment for highway construction.

Key Growth Drivers for the Road Sector in India

- **Scarcity of quality roads:** one of the key macro constraints on the Indian economy, restraining its average growth at 6.0 to 6.5% per year, is low infrastructure spending, particularly on developing a high-quality transportation network. Out of 65,569 kilometres of national highways network, only 9% of the total network is four-laned, 56%is two-laned and 35% is single lane only. India's spending on road development is low as compare to chinas spending of US $25 billion per annum. The government has realized that developing as quality road network is critical for strong economic growth and has created a road map for the same.

- **Strong Economic Growth:** The Indian economy has being growing at the rate of 8.2% and 6.4% in FY2004 and FY2005 respectively and is expected to grow at 6.2% in FY2006. as the economy grows, economic activities, such as industrial production and personal consumption will increase which will in turn drive road traffic and passenger traffic growth.

- **Growth in Vehicles:** There has been a consistent growth in the number of vehicles in India which has prompted the government in investing in road infrastructure development. The compounded annual growth in total number of vehicle between CY2000 to CY2004 has been 21.1% with better road connectivity and improved road conditions, further growth in vehicles is expected which will fuel further road development. Also with improved quality of vehicles road traveling in fast becoming the most convenient means of transport.

- **Growth in Tourism:** Several initiatives has been taken by the Indian government to promote tourism in India including increasing the budgetary allocation for tourism from rupees 3,250 million in 2003-04 to rupees 5,000 million in 2004-05. tourism industry registers a growth rate of 17.3% in foreign tourist arrival in FY2005. The growth in tourism is expected to increase road passenger traffic growth.

Government has set ambitious plans for up gradation of National Highways in a phased manner in the years to come. The details are as under:

- 4-laning of 10,000 km (NHDP Phase-III) including 4,000 km already approved
- Accelerated road development programme for the North Eastern region
- 2-laning with paved shoulders of 20,000 km of National Highways under NHDP Phase-IV
- 6-laning of GQ and some other selected stretches covering 6,500 km under NHDP Phase-V
- Development of 1,000 km of express ways under NHDP Phase-VI
- Development of ring roads, bypasses, grade separators, service roads, etc. under NHDP Phase-VII

Source: http://indiabudget.nic.in/es2005-06/chapt2006/chap96.pdf

Future outlook - road sector
(Source: CRIS INFAC Construction report, February 2006)

The Government's emphasis on infrastructure development, as depicted above, in the NHDP programs, would provide an impetus to the construction industry. As per CRIS INFAC estimates, the prospective investments aggregate Rs. 4,356 billion growing at a CAGR of 9% over the next 3 years (2005-06 to 2007-08) as compared to Rs. 3,320 billion investments in the last 3 years (2002-03 to 2004-05).

Investments in the road sector are likely to increase from Rs. 550 billion in the past three years (FY2002-03 to FY2004-05) to Rs. 757 billion in the next 3 years. Activity in the road sector is largely centred around NHDP and to some extent the PMGSY (Pradhan Mantri Gram Sadak Yogana). NHDP and PMGSY are expected to constitute to more than 60% of the total planned activities of the sector over the next 3 years. The road sector's is also expected to be the biggest beneficiary in the construction investments; its share is projected to increase from 32% during FY03-FY05 to 34% during FY06-FY08 as depicted below:

The NHDP has also been restructured and the seven phases now involved building, upgradation and maintenance of 51,411 kms of roads, at a cost of Rs. 1,871 billion. The Government has approved investments to the tune of Rs. 1,466 billion in NHDP (upto Phase IIIA) and PMGSY. Of this Rs. 300 billion has already been spent on NHDP and Rs. 183billion on PMGSY. Over the next 5 years, Rs. 511 billion is expected to be spent on NHDP Phase I, II and IIIA.

The Government announced several initiates in the Union Budget 2007–08 to encourage infrastructure creation through the private public partnership model. This is expected to trigger potential order booking opportunities for construction companies. On the flip side, withdrawal of tax benefit under section 80–IA with retrospective effect from 1 April, 2000 is expected to shore up the tax liability of civil construction contractors. Continued investments across industrial segments have ensured a steady stream of order flows for construction companies. As per CMIE's quarterly capex survey, total outstanding industrial investments stood at Rs.40,59,053 crore as of January 2007.

These are a sharp 51 per cent higher than the year ago period. Fresh investments to the tune of 3,21,342 crore spread over 1,399 projects were announced during the quarter. On the flip side, tax benefit available under section 80–IA to civil construction companies has been revoked by the Finance Minister. While a construction entity, who undertakes and executes the construction work will be eligible for the benefits, construction contractors who carry out works awarded by developers will not be able to claim the same. This amendment will take place with retrospective effect from 1 April, 2000. This is expected to shore up the tax burden and impact bottomlines of construction companies whose major revenues come from work contracts. Also, incremental excise hike passed on by cement manufacturers to consumers is expected to increase the overall construction costs of companies.

[Source: March 2007 Indian Industry: A Monthly Review, Centre for Monitoring Indian Economy]

Budget 2007-08 Proposals

- Allocation of funds under Bharat Nirman has been increased by 31.6% to Rs.24,603 crore in 2007-08. Bharat Nirman project envisages road connectivity of all villages with a population of 1,000, construction of 60 lakh additional houses for poor and an additional one crore hectares to be covered under irrigation.
- The allocation under The Accelerated Irrigation Benefit Programme (AIBP) has been increased to Rs.11,000 crore to create an additional irrigation potential of 900,000 hectares.
- Allocation under The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) has been increased from 4,595 crore in 2006-07 to 4,987 crore in 2007-08
- Allocation under Rajiv Gandhi Drinking Water Mission has been increased from Rs. 4,680 crore in 2006-07 to Rs.5,850 crore in 2007-08.
- Budgetary support for NHDP has been enhanced from Rs. 9,945 crore to Rs 10,667 crore in 2007-08.
- A revolving fund with a corpus of Rs.100 crore to fund the project preparation expenditure. The fund will contribute 75% of the preparatory expenditure and will be treated as interest free loan to the project. The said expenditure will be recovered from the successful bidder.
- Mutual Funds to launch and operate dedicated infrastructure funds.
- Issue of tax-free bonds through State Pooled Finance Entities formed for raising funds to facilitate the creation of urban infrastructure
- Excise duty reduced from Rs.400 per metric tonne to Rs.350 per metric tonne on cement which is sold at not more than Rs.190 per bag. On cement that has a higher MRP, excise duty will be Rs.600 per metric tonne.
- Tax benefit under section 80-IA to be available only to developers of infrastructure projects with retrospective effect from 1st April 2000. A person who enters into a contract with another person for executing works contract will not be eligible for the tax benefit under section 80-IA.

Changes in Tax / Duty Structure

- Service tax of 2% on work contracts is proposed.
- Dividend Distribution Tax increased from 12.5% to 15%.

Budget Impact

- Sustained focus of the government to improve infrastructure, especially roads, ports, power, housing and increased allocation to various schemes such as NHDP, Bharat Nirman, Rajiv Gandhi Drinking Water Mission, Jawaharlal Nehru National Urban Renewable Mission (JNNURM) and The Accelerated Irrigation Benefit Programme (AIBP) would result in continued strong growth for construction industry.

- A dedicated fund for the preparatory expenditure will reduce the time required for conducting feasibility study of the projects. This will accelerate the process of awarding the projects.

- Allowing Mutual Funds to launch and operate dedicated infrastructure funds as well as issue of tax-free bonds through State Pooled Finance Entities will increase the investments in infrastructure projects.

- The proposed changes in excise duty structure of cement (based on MRP) might affect the profitability of players in construction industry.

- Clarification regarding benefits under section 80IA to impact the profitability of the construction companies (contractors) claiming the benefits till date.

- Increase in dividend distribution tax to 15% will affect the profitability of construction companies.

(Source: CARE Budget Research Report)

STRUCTURE OF INDIAN CONSTRUCTION INDUSTRY

The construction industry's business falls broadly under two classes: cash contracting and BOT projects. Contractors can also be classified into two categories: public sector (e.g. IRCON, ElL and HUDCO) and private sector (Shapoorji & Pallonji, Gammon, L&T, HCC, Jaiprakash, IVRCL and Nagarjuna). Industry consultants like RITES, NBCC and DEC assess projects, and perform technical and feasibility studies

CONSTRUCTION

DOMESTIC PLAYERS

INTERNATIONAL PLAYERS
Ex: LG ENGINEERING

PUBLIC SECTOR

PRIVATE SECTOR

CONTRACTOR
IRCON
HUDCO

CONSULTANT
MECON
RITES

UNLISTED
Shapoorji & Pallonji

LISTED
Gammon
L&T

PORTER'S ANALYSIS OF INDIAN CONSTRUCTION INDUSTRY

Potential entrants: Entry barriers are quite low, as the industry is relatively less capital intensive.
Supplier power: Suppliers have little bargaining power, as raw material and equipment are easily available. Most project contracts are fixed-price with cost escalation clauses.

Buyer power: Bargaining power of clients is quite high, as contracts are awarded after competitive price bidding.
Competition: High fragmentation makes for intense competition. The increasing presence of international contractors has made the business even more competitive.

<u>Construction industry - Porter's model</u>

LOW ENTRY BARRIERS

LOW SUPPLIER POWER → **CONSTRUCTION** INDUSTRY ← **HIGH BUYER POWER**

INTENSE COMPETITION

INDUSTRY PARTICIPANTS:

The key participants in execution of a construction project include the owner! sponsor! promoter, contractors and sub-contractors, consultants, licensors, and suppliers of equipment and raw material.

Owner: A project's owner may be a public or private entity responsible for implementing it. This includes tying up funding (from financial institutions, banks, or the government), and awarding contracts for consulting and execution. Project sponsors, for instance, include municipalities for urban infrastructure projects, National Highway Authority of India (NHAI) and Road Development Corporations (ROC) for executing road projects, and promoters for executing private corporate projects.

Contractor: The responsibility of the contractor is to take a project from design to completion. The qualification criteria include past experience in execution of similar projects, technical expertise and financial strength. Contractors mobilise construction machinery, employ engineers, managers and labourers (skilled and unskilled), and procure supplies for the project.

Consultant: A consultant's role is to provide detailed project designs, and to supervise the project before, during and after its implementation. Consultants are highly specialised, and are available for architecture, structural designs, soil investigation and the preparation of contract documents.

There are over 5,000 consulting organisations in India. Until the early 1990s, government owned consulting companies controlled a large chunk of the market, as most large engineering projects were executed by the public sector. Since India's economic liberalisation in 1991, several foreign consulting companies have set up offices in the country. However, public sector consultants continue to play a dominant role in project execution. Major public sector consultants include RITES, Telecommunications Consultants India Ltd (TCIL), Project and Development India Ltd (POLL), Engineers India Ltd (ELL) for oil and petrochemical projects, and FACT Engineering & Design Organisation (FEDO) for fertilizer projects.

Process licensors: These entities provide the technical know-how and licence to use a particular technology/process, and are present mainly in industrial and power projects.

Raw material suppliers: The main raw materials used in the construction sector (cement, steel, bricks/tiles, sand/aggregates, fixtures/fittings, paints and chemicals) are easily available, as India is self-sufficient in these resources. Most project contracts are structured as contracts with cost-escalation clauses on direct inputs.

Construction equipment suppliers: Construction equipment broadly comprises earthmoving, lifting, paving and trucking equipment. As 20-25% of the construction machinery is imported, contractors are exposed to foreign-exchange fluctuations and customs tariffs on imported equipment.

Largely fragmented due to low capital requirements

The industry is quite fragmented with numerous participants, as the business is not very capital-intensive. The skills required to undertake construction projects are easily available, and capital required to bid for projects is relatively low. This has attracted a number of small companies to the industry, making it highly fragmented in structure

Competition from MNCs - not significant

Over the past 3-4 years, the industry has attracted a number of international companies (mainly Malaysian ones). Most of these companies provide technical expertise or finance for a fee or royalty to domestic players. The international companies typically do not do the groundwork, as investments required to mobilise construction sites are not remunerative enough. A few domestic players have tied up with these international companies to pre-qualify for large projects, either in terms of technical expertise or net worth.

Private participation - set to increase steadily

Another aspect of the construction business is BOT-based infrastructure development projects. Leading companies that have entered this segment include L&T, Gammon, Jaiprakash and Nagarjuna. The viability of BOT projects, like any construction project, depends on timely and cost-effective execution. *As* such, the business is a logical progression for construction companies.

Infrastructure development companies like IL&FS and IDFC form another set of participants.

These companies have access to funds, but not the expertise to undertake project execution, for which they tie up with construction companies. Projects involving private participation demand huge capital investments, and have long gestation periods. On the other hand, they offer significantly higher returns than traditional cash-contracting business. *As* for financial risks, they can be mitigated by companies with the right execution skills.

WORK APPROACHES

Contractors often resort to Joint ventures (JVs) to secure large projects and subcontracting to execute projects.

JVs are usually project-specific, and include contractual obligations among domestic or foreign contractors with revenues/profits shared on a predetermined basis. Contractors usually form JVs when one of them does not meet the qualification norms on its own. For instance, HCC and L&T formed a JV for the Purulia Pumped Storage project in West Bengal, because the former did not fulfil the required qualification norms for a project. JV s are also formed to reduce the risk exposure on large projects and combine specialist skills. A case in point is the JV between HCC and Kirloskar Brothers to execute a lift-irrigation project in Andhra Pradesh. HCC formed this JV to avail of the specialist skills of

Kirloskar Brothers for the pumping part of the project.

Sub-contracting - aiding timely completion of projects.

Sub-contracting means awarding the execution of a project to another contractor, either in full or in part. it reduces the capital investment (in the form of equipment or working capital) of piime contractors, and increases the chances of timely completion with lower overhead expenses. On the other hand, it reduces profit margins of the prime contractor, which has to pass on a part of the profits or revenues to the subcontractor. Contractors usually sub-contract works when they find it difficult or expensive to mobilize sites on their own, or when they cannot meet deadlines unaided. Subcontractors can ofren do the job at a lower cost and in lesser time. One example is Gammon's sub-contracting of its road construction project in Andhra Pradesh to IVRCL, which offered a cost-effective way to complete the project on time.

TYPES OF CONTRACTS

In the construction industry, execution of projects is awarded in different manners to the contractors. Most contractors follow the EPC or the item-rate contract method. In EPC contracts, the contract price is fixed, whereas item-rate contracts require the contractor to present the price of each item, and furnish a bill of quantities. Most government organizations prefer item-rate contracts. However, at times, they do give out EPC management contracts - that is, the project owner supplies all the inputs, and the contractor is responsible for the labour and supervision. The third type of contracts is turnkey contracts, wherein the contractor is responsible for everything from conceptualizing and designing to executing and commissioning a project.

Bidding process for cash contracting

Typically, a project is awarded to a contractor under a bidding process. The first step involves invitation for bids by the owner, either through the print media or by issue of tenders to select contractors. All the interested contractors submit their expressions of interest (EOIs) for the project. On completion of the EOl process, the awarder of the contract pre-qualifies contractors based on the five criteria.

1. *Net worth*
2. *Turnover*
3. *Experience*
4. *Equipment*
5. *Man Power skills & Abilities*

Once the bidders are qualified, the awarder of the project holds a pre-bid meeting with the qualified bidders to explain the details of the project. After this meeting, the bidders submit their bids before a stipulated deadline. All the submitted bids are opened on a particular day, and contractors are graded on the basis of their bids (Ll, L2 or L3 _ Ll being the lowest bidder, followed by L2 and L3). In some cases, the L2 bidder (if the party is interested) is asked to match up to the Ll bidder. The contract is then awarded to the lowest bidder, which is subsequently given the letter of intent (LoI). This bidder is given some time to formally accept the contract. The mobilisation of the site and project execution begins after the signing of the concession agreement between the contractor and the owner.

Private participation (BOT) projects follow the same process up to the LOI stage. After the issue of LOI, however, the process is a bit different. After the contractor has accepted the LOI, it has to sign the concession agreement with the client within three months _ and then complete financial closure within six months. Once the financial closure is achieved and the funding mechanism is in place, only then work commences on the project

Bidding process stages:

1. *Advertisement*
2. *expression of interest*
3. *Request for qualification*
4. *Submission of qualification documents*
5. *Qualification*
6. *Request for proposal*
7. *Pre bid meeting*
8. *Submission of bids(technical & financial bids)*
9. *Opening of bids*
10. *L1,L2,L3……*
11. *Letter of Intent*
12. *Acceptance*
13. *Concession agreement*

Costing issues:
Construction equipment comprises earthmoving, lifting, paving and trucking equipment. Contractors usually own such equipment, as it is used in practically all projects, and its possession is often a key criterion for qualification. Construction equipment - mainly bought outright Construction equipment comprises earthmoving, lifting, paving and trucking equipment. Contractors usually own such equipment, as it is used in practically all projects, and its possession is often a key criterion for qualification. General-purpose equipment is bought or sold according to requirement. Specialised equipment, which may not find use after the project at hand, is usually hired.
years for two reasons. Construction companies have been buying a lot of equipment over the past three years for two reasons.

a) Companies wish to modernise and implement new technologies.
b) The equipment is a pre-condition to pre-qualify for road-construction projects (say, to prepare pavement-quality concrete.)

Break-up of Construction Costs

	Materials %	Construction Equipment %	Labour %	Finance %	Enabling Expenses%	Admin. Expenses %	Surplus %
Building	58-60	4.5	11-13	7-8	5.5-6.5	3.5-4.5	5-6
Roads	42-45	21-23	10-12	7-8	5.5-6.5	3.5-4.5	5-6
Bridges	46-48	16-18	11-13	7-8	5.5-6.5	3.5-4.5	5-6
Dams, etc	42-46	21-23	10-12	7-8	5.5-6.5	3.5-4.5	5-6
Power	41-43	21-24	10-12	7-8	5.5-6.5	3.5-4.5	5-6
Railway	51-53	6-8	16-18	7-8	5.5-6.5	3.5-4.5	5-6
Mineral Plant	41-44	20-22	12-14	7-8	5.5-6.5	3.5-4.5	5-6
Medium Industry	50-52	7-9	16-18	7-8	5.5-6.5	3.5-4.5	5-6
Transmission	49-51	5-7	19-21	7-8	5.5-6.5	3.5-4.5	5-6

Source : Construction Industry Development Council Survey

Demand for RMC and Paver Blocks

1. *RMC – Ready Mix Concrete*

Concrete is a mixture of three basic ingredients: sand, gravel (crushed stone) and cement, as well as chemical compounds known as admixtures. Combining this mixture with water causes the cement to undergo an exothermic chemical reaction called hydration, turning cement into a hard paste that binds the sand and gravel together. RMC is Concrete which is mixed with water at a plant and transported directly to a construction site and is a perishable product that needs to be delivered within an hour and a half before it becomes too stiff to be workable.

Ready-mix concrete is a type of concrete that is manufactured in a factory according to a set recipe, and then delivered to a worksite, often by truck. This results in a precise mixture, allowing specialty concrete mixtures to be developed and implemented on construction sites. The first ready-mix factory was built in the 1930s, but the industry did not begin to expand significantly until the 1960s, and it has continued to grow since then.
(Source: definition of RMC http://en.wikipedia.org/wiki/Ready-mix_concrete)

EQUIPMENT:
Benefits of RMC

- Speedy construction through programmed delivery at site, mechanized operation with consequent economy
- Lower labour and site supervising cost
- Consistent quality through accurate computerized control of aggregates and water as per mix designs
- Minimization of cement wastage due to bulk handling
- No dust problem and therefore, pollution-free
- Project time reduced, resulting in savings
- Proper control and economy in use of raw material results in saving of natural resources

2. *Paver Blocks*

Interlocking concrete pavements that are appropriate for any application that requires paving. These areas include patios, driveways, pool decks, sidewalks, parking lots, pedestrian plazas, roof plaza decks medians, streets and industrial pavement.

Interlocking concrete pavers are composed of cement and fine and course aggregates. Color is often added. Pavers are made in factory-controlled conditions that apply pressure and vibration. the result is a high strength concrete that can be moulded into many shapes.

Concrete block paving has many benefits over asphalt or in situ concrete. It can be easily uplifted to allow access to below ground services and re-used to re-instate with minimum delay or disruption. Damaged or stained blocks can be easily replaced and there is no unsightly patching or uneven surface subsequent to work being carried out.

Ready Pave products provide good slip resistance properties. Paver is also resistant to attack by frost, minerals, oils, grease, petrol and de-icing salts, making them an ideal choice for a durable and long lasting surface.

Paving Blocks used for external floors are in great demand in modern building owing to their beauty, durability and economy. Paving blocks floors can be made in any design or shape desired. Its most popular because of the unlimited variety of pleasing patterns and colored schemes. Paving blocks are increasingly used not only in walks ways & jogging tracks but also in entire building compounds, storage yards, petrol stations, swimming pool decks, parking lots and other landscaping areas. Highly wear-resistant in nature, the life of the blocks is much more than the ordinary P.C.C done in the external areas.

Benefits of Paver Blocks

- Pavers are simple and easy to install
- Concrete pavers are ready to install and are ready for use immediately after paving
- Reduced construction time quick restoration of access
- The joints between pavers eliminate cracking normal to conventional asphalt and concrete pavements Interlocking concrete pavers require practically no maintenance

OUR BUSINESS

We are an engineering and construction company focusing on road construction development. We were incorporated on April 1, 1998 as a private company. We took over the business of Niraj Cement Structurals (partnership firm) in December 1999, which was engaged in cement structural business since 1987. We are engaged in construction of road projects through sub contracting. We are headquartered in Mumbai and have capability to execute various road construction projects.

Our present areas of operations are sub-contracting including providing EPC services. We have a fleet of construction equipment all of which we own directly or through our joint ventures. We believe that our employee resources and fleet of equipment, along with our engineering skills and capabilities, enable us to successfully implement a wide variety of road construction projects that involve varying degrees of complexity.

We enter into sub-contracting assignments primarily through a competitive bidding process. We aim to establish our direct presence over a period of time. As the project sizes are expanding we team with major contractors to meet specific eligibility requirements for certain larger projects, including requirements relating to particular types of experience and financial resources, we also enter into project-specific joint ventures with other construction companies at times as minor partners and EPC sub-contractor.

Our Strengths

Track record of profitability
Our Company has a track record of profitability for the last 5 years.

Owned fleet of construction equipment
Our Company owns a fleet of construction equipment including mechanical paver finishers, transit mixers, porcelain, concrete pumps, batching plants and dumpers. To cater to our requirement we have ready mix concrete plant and having installed capacity of 160+30/ xxxx cum / hr.

Qualified employee base and experienced management team
We have qualified and experienced manpower. Our skilled labour force with experience in the road construction industry, gives us the flexibility to adapt to the changing needs of the client and the technical requirements of the projects that we undertake. We also focus to develop expertise and knowledge of our employees to ensure they possess all the requisite skills for the effective execution of the project. Our Management team is well experienced in the road construction industry.

Our Strategy

Construction of Roads, paving etc:
We have developed expertise in the business of road construction. We intend to bid for road related construction projects - leveraging and building the specialization and prequalification and thereby participating in more states and regions and gaining access to more complex projects. We will be getting into need based joint ventures with stronger and expertised construction companies in order to achieve the objective of winning projects on offer.

Focus on building strategic alliances to win large-scale projects

The pre-qualification criteria for contracts generally include past experience in projects of similar nature, organizational structure, manpower and machinery and financial strength. In our business, we enter into project-specific joint ventures or form strategic alliances to meet the pre-qualification criteria and to increase our probability of winning the bid. In order to bid for and win high value and large-scale construction projects, we intend to establish strategic alliances with other competent players in our industry, who can complement our skills and resources and enhance our technical and financial strength.

Spread our geographical area of operations

We are currently executing projects in the State of Maharashtra and Orissa. In future, we intend to spread our area of operations to other States as well, which is one of the effective ways to mitigate the risks associated with road construction projects.

Bid for contracts offered on BOT and annuity basis

Government of India is offering several road projects to be completed on a BOT or annuity basis. We have participated in bidding for such project and also intend to further implement projects on BOT / BOOT / Annuity basis though we have not been successful in getting any such projects.

Target road construction projects in Special Economic Zones (SEZ) and Container Freight Stations (CFS),

The SEZ policy introduced on 1st April 2000 provides for setting up of SEZs in the public, private, joint sector or by State Governments. We intend to target the road projects wherever proposed in these Special Economic Zones.

Focus on execution of projects in a timely manner

Our Company intends to maintain quality standard and ensure timely completion of the projects. We also intend to focus on employing latest technology with experienced manpower to give a quality output in a timely manner.

Our Business Model

Our business revolves around the following basic requirements namely pre-qualification parameters and bidding strategy. These are explained below:

Pre-qualification parameters

The Employer normally sets out pre-qualifying criteria for each of the projects. Typically, these are as follows:

- ***Technical Capability***: The company should have experience in projects of similar nature and possess technology, manpower and machinery (either owned or hired),
- ***Financial Strength***: This includes criteria such as minimum annual turnover, net worth as well as ability to arrange for working capital facilities. In case the company does not possess the pre-qualification to take up the project independently and the project allows association of more than one company to participate and bid for the project, then companies can form Joint Ventures and bid for the project. Joint Venture participation allows individual partners to pool in their resources for pre-qualifying to bid for large projects. These Joint Ventures can be either project specific JVs/ MOUs or generic MOUs/JVs. The former type of Joint Ventures exists till the completion of the project, if awarded and ceases to exist if the project is not awarded. Generic JVs/MOUs are not project specific and are partnerships where the Joint Venture can submit their pre-qualification and bid for various projects. It does not involve any transfer of technology and the parties are limited to their respective scope of work based on their expertise.

Bidding Strategy and awarding of contract

The Employer invites pre qualifications from bidders. We analyse the scope of the project considering factors like the risks involved, location, technology and machinery required, manpower, and such other requirements. A detailed study of the technical and financial aspects of the project is conducted. Based on the assessment and parameters provided to us we prepare the pre-qualification bids. If the company pre-qualifies independently or through joint venture/ MOU they bid for the contract by submitting a technical bid and financial bid. In some cases the pre-qualification and financial bids are submitted simultaneously. If the project is awarded to the company then the client issues the Letter of Acceptance (LOA).

Generally, the contract is awarded to the lowest bidder. The bidder is also required to furnish a bid security along with the bid application. On award and signing the contract, the project owner returns the bid security taken from the contractor. The contractor has to provide a performance guarantee from the bank for the project, which is usually five per cent of the contract value. On commencement of work the Employer releases the mobilization advance against furnishing mobilization advance guarantee as per the agreement. Further the Government/Agency releases the machinery advance as per the agreement against furnishing machinery advance guarantee as well as deploying machineries of equivalent or more value at the project site. The said machineries cannot be shifted from the project site elsewhere without the prior approval of the Employer during the currency of project period. These advances are usually interest free loans given by the Employer to the contractor.

The monthly payment to the contractor for work completed depends on the certification of the work by the consultant appointed by the project owner. At the time of payment, the Employer retains a percentage of the bill amount as retention money as agreed in the terms of the agreement. The project owner releases the retention money against a bank guarantee based on the terms specified in the agreement.

The tender document specifies penalties for delay in completion of the project by the contractor. Each agreement stipulates a period after handing over the project to the Employer as a Defect Liability Period. It is agreed between both the parties, that the contractor shall rectify any defect during this period at his cost. In case the contractor fails to do so, the Employer can invoke the performance guarantee/the bank guarantee for retention money for the same. In other cases, the performance guarantee/bank guarantee for retention money is returned to the contractor at the end of the Defects Liability Period.

The Various stages involved in project management are detailed below:-

PHASE I

Awarding the contract

- Expression of interest- called for by the project owner
- Request for Qualification (RFQ) or Pre-qualification
- Invitation to tender / request for proposal / (RFP)
- Obtain Document- purchase of tender document
- Site Visit and Pre-Bid Queries
- Post –qualification / technical Documentation and Financial Bid
- Submission of the tender along with Earnest Money Deposit (“EMD”)
- Award of the contract to the lowest bidder and issue of Letter of Intent
- Signing of the contract along with submission of performance securities and refund of EMD

PHASE II

Execution of the project

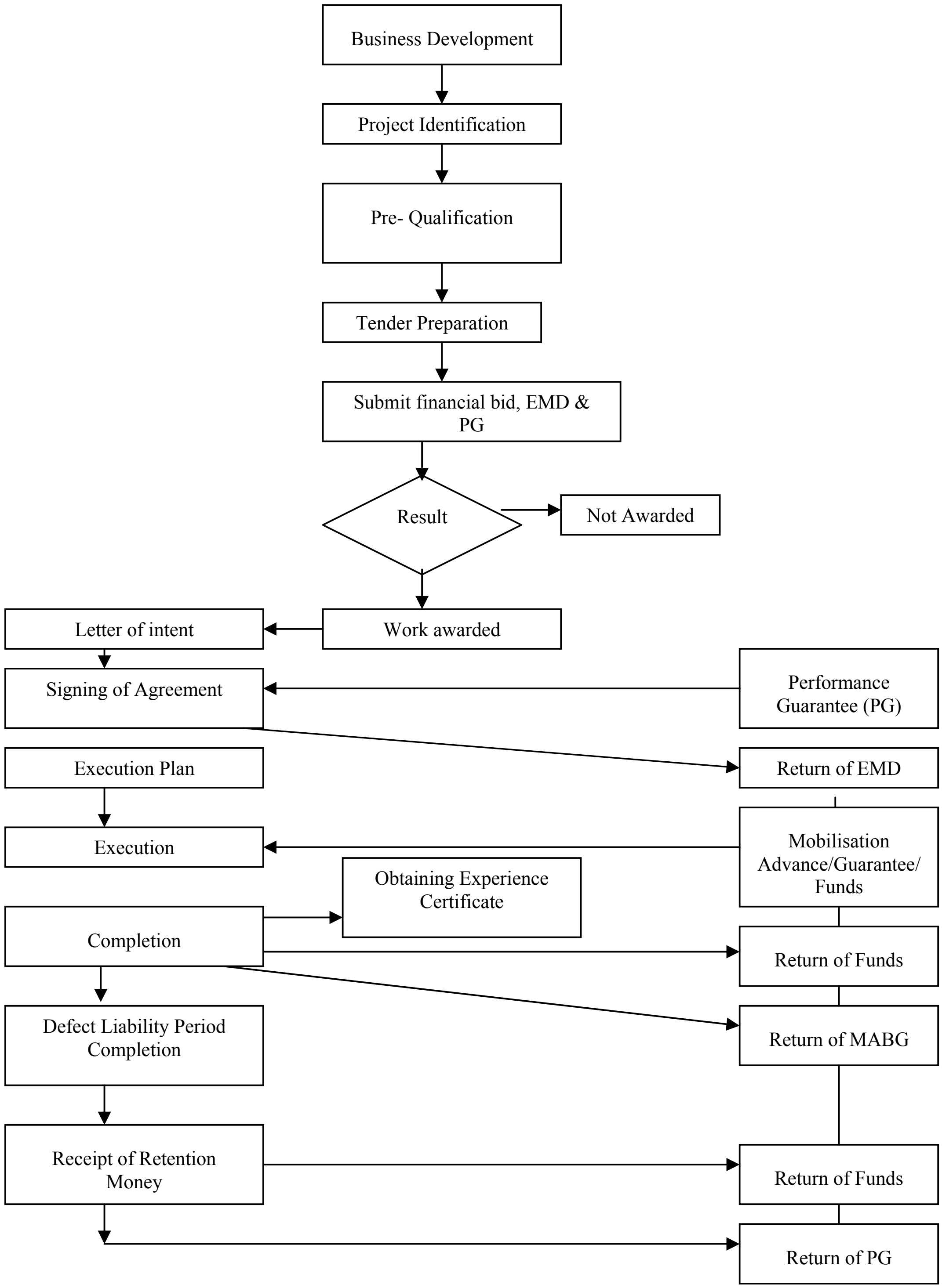
- Prepare the Project Cost and Analysis for execution, detailed execution plan, detailed resource plan and expenditure plan
- Kick –off meetings.
- Mobilization of resources
- Purchase of materials required in the project
- Execution of the project as per execution plan
- Raising monthly (As per tender condition) Interim Payment Certificates

Project Closure

- Implement all project completion activities to the satisfaction of the client.
- Receipt of final bill
- Taking substantial completion certificate
- Taking handling over certificate
- Implementing Defect Liability /O & M period, if there is any
- Receive the final retention money after Defect Liability Period

Process

Project Cycle



The Major Projects executed by the Company through Joint Venture:

We have executed following two contracts, which were sub, contracted to our Joint ventures:

Sr. No.	Project Name /Nature of Work	Nature of Contract	Operating Vehicle	Name of Project Owner - Principal Contractor	Contract Value at Completion / Work Done	NCSL share in Contract JV@ 45%	Date of Commencement	Initial Date of Completion	Date of Actual Completion
2	Bandra Worli sea link Package III, Construction of solid approach road from end of improved Mahim flyover upto statrt of toll plaza	Sub-Contract	PCNS	MSRDC Limited - Prakash Construction & Engineering Co.	6,406.00	2,882.70	July 2, 1999	July 1, 2001	July 31, 2002
3	Construction of Mumbai - Pune Expressway Part Kno to Kalamboli (Bypassing Panvl Town) Package - 1 From km 0/000 to km 8/200 & Shedung Connector - Construction of Dry Lean Concrete and Pavement Quality Concrete with Slip Form Paver at Part Kon to Kalamboli (Bypassing Panvel Town) Package - 1	Sub-Contract	PCNS	MSRDC Limited - Prakash Construction & Engineering Co. Joint Venture with Prakash Building Associates Limited	592.00	266.40	May 17, 2000	-	December 31, 2001
	Total					**3,149.10**			

The Major Projects Completed by the Company

S.No	Name of the contract, location and nature of the work	Contract No & date	% And amount of participation of firm in the project	Name of client	Contract value	Stipulated period of completion	Value of outstanding work	Estimated completion date
1	Worli-Bandra sea link Package – construction of solid approach road from end of improved mahim flyover upto start of toll plaza area on Bandra side	CA.No. MSRDC /ED/BWP	Sub contract 45% work awarded as per Internal MOU	MSRDCL	Rs. 43.00 Crores. Contract value increased Rs. 64.06 crores	24 months	Nil	Work completed
2	Construction of apron flooring in connection with construction of Air India, Hanger Project, Mumai		Sub contract 45% work awarded as per Internal MOU	IRCON International	Rs. 3.15 crores, Contract value increased Total work done Rs. 4.42 crores	9 months	Nil	Work completed
3	Construction Dry clean concrete & pavement quality with slip form paver at part Kon to Kalaboli		100% Sub contractor	Prakash Construction JV, Prakash Building Association Ltd	Rs. 7.00 cores Total work done Rs. 5.92 crores	12 months	Nil	Work completed
4	Replacement of existing concrete	W.ONO: PFD/201/MISC/	100% Sub contractor	Air- India ltd	Rs. 1.78 cores	8 months	Nil	Work completed

	pavement panels in front of Air India Hanger No1 & 2 at old airport, Mumbai	(T)/B/020/ dated 11/10/01						
5	Construction of new fire station at Mumbai airport, mumbai	AAMup/D-1/290/01-dated 10/12/01	100% Sub contractor	Air port Authority of India	90.05 Lacs	7 months	Nil	Work completed

The Major Projects currently under execution:
At present, the company has an order book position of Rs.15717 Lacs of construction. We are currently executing the following projects:

Name of the contract, Location and Nature of the work	**Contract No. & Date**	**Percentage and amount of Participation of firm in the Project**	**Name and Address of Client**	**Contract Value and Stipulated Period of completion**	**Value of work done**	**Estimated Completion Date**
Widening to 4/6 lanes and strengthening of existing 2 lane carriageway of NH-60 in the state of Orissa from 31.000 Km. t0 53.410 Km. Contract Package IV	C.A. 0032/NH60/GQ/GM/GM (E)/2001 dated 23/3/01	100% Sub-Contractor	National Highways Authority of India Main Contractor LARSEN & TOUBRO LTD. ECC Division Headquaters office at Mount Poonamallee Road, Manapakkam, Chennai – 89	Rs. 83.79 Crores 24 Months	Rs 76.00 Crores	**30/06/2007**
Widening and construction of LBS Marg from Sion to Kanjurmarg (Km 0.00 to 11.156)	EDBKC/ MUIP/TN - 1/2003/13 Dated 19/5/2004	100% Nominated Sub-Contractor	Mumbai Metropolitan Region Development Authority (MMRDA) Bandra – Kurla Complex, Bandra (E), Mumbai–51 Main Contractor Ashoka Buildcon Ltd – Nashik	Rs. 32.27 Crores 12 Months	Rs. 25.00 Crores	**30/06/2007**
Widening and construction of LBS Marg from Kanjurmarg to Mulund Check Naka (Km 11.156 to Km. 18.831)	EDBKC/ MUIP/TN - 1/2003/14 Dated 19/5/2004	100% Nominated Sub-Contractor	Mumbai Metropolitan Region Development Authority (MMRDA) Bandra – Kurla Complex, Bandra (E), Mumbai–51 Main Contractor Ashoka Buildcon Ltd – Nashik	Rs. 22.59 Crores 12 Months	Rs. 20.00 Crores	**30/06/2007**
Providing Paver Block at main gate, KK gate and	12/80/(A) /CDNI/2006-TS Dtd.14/0/	100%	Client New Mangalore Port Trust	1.73 crores	Bill under preparation	**16/08/2007**

Name of the contract, Location and Nature of the work	Contract No. & Date	Percentage and amount of Participation of firm in the Project	Name and Address of Client	Contract Value and Stipulated Period of completion	Value of work done	Estimated Completion Date
Seamen's circle junction in the wharf area	2007		**Contractor** Niraj Cement Structurals Ltd.			
Development work as back-up requirement to Deep draft Multipurpose Berth at NMPT	30/7/DW/ DDGB/2005/06/ TS Dtd. 25/01/2007	100%	**Client** New Mangalore Port Trust **Contractor** Niraj Cement Structurals Ltd.	5.17 crores	Bill under preparation	26/11/2007
Providing Heavy Duty Pavement behind Berth No.5 to Berth No.7	Providing Heavy Duty Pavement behind Berth No.5 to Berth No.7	100%	**Client** New Mangalore Port Trust **Contractor** Niraj Cement Structurals Ltd.	5.89 crores	Bill under preparation	17/11/2007
Strengthening and Extension of Container Yard at NMPT with Paver Blocks	13/21/CDNI/2006-TS 22/11/06	100%	**Client** New Mangalore Port Trust **Contractor** Niraj Cement Structurals Ltd.	5.73 crores	Bill under preparation	23/07/2007

The Projects in pipeline

Name of the contract, Location and Nature of the work	Expectation of Bid Opening	Percentage and amount of Participation of firm in the Project	Name of Client & Principal Contractor	Contract Value	Stipulated Period of completion
Improvement such as providing two lanes rigid pavement carriageway with paved shoulders of 1.5m on both sides with reconstruction / rehabilitation / widening of CD works to Cuttack – Paradeep road (SH-12) from 0/000 to 43/000 Km	Expected dated of receiving LOI by 20th April 2007	60%	**Client** Orissa Work Govt. Dept. **Main Contractor** Niraj – ARSS (Joint Venture)	**Rs. 112 Crores**	24 Months
Improvement such as providing two lanes rigid pavement carriageway with paved shoulders of 1.5m on both sides with reconstruction / rehabilitation / widening of CD works to Cuttack – Paradeep road (SH-12) from 43/000 Km to Km 82.000	Expected dated of receiving LOI by 20th April 2007	60%	**Client** Orissa Work Govt. Dept. **Main Contractor** Niraj – ARSS (Joint Venture)	**Rs. 113 Crores**	24 Months

Location of our projects

We execute construction contracts for Government, Semi Government agencies all over India. Considering the nature of Company's business the location of project depends upon the contracted site, which usually varies from project to project. Currently, we have projects at:

- Gudikhal Road, Chainage no. 32, NH-60, Village Jaleshwar, District Balasore Orissa 400 xxx.
- LBS Marg Project
- Mangalore port trust project

Properties:

We do not own registered office and our factory premises as these are in the name of Mr. V.K. Chopra with whom we have entered into Leave and License agreement. The details of Leave and License agreements are as under:

Sr.No.	Location of property	Nature of Title/Interest	Details of lease
1.	Registered Office at Niraj House, sunder Baug, Deonar, Mumbai 400088	Leave and License Basis	Date of Leave and License – May 9, 2006 Period of lease – 12 months renewable on terms mutually acceptable to both the parties Lessor – Mr. V K Chopra Security Deposit - Rs.20,000 as refundable security deposit without interest. Monthly Rent - Rs.20,000/- per month on or before 10th of each month.
2.	Factory at C-55, TTC Industrial Area, Thane Belapur Road, Navi Mumbai	Leave and License Basis	Date of Leave and License – May 9, 2006 Period of lease – 12 months renewable on terms mutually acceptable to both the parties Lessor – Mr. V K Chopra Security Deposit - Rs. 50,000 as refundable security deposit without interest. Monthly Rent - Rs. 50,000/- per month on or before 10th of each month.

PLANT AND MACHINERY

The list of Plant and Machinery of the Company is provided in the table below:

Sr. No.	Description	Nos.	Manufactures & Model/ Type	Purchase year of Eqpt.	Capacity
1	Hydraulic Excavator	1	L & T Komastu PC-200	2001	0.90 Cu.Mt. Bucket
2	Vibratory Soil Compactor	1	L & T Case 1107 D	2001	11300 Kg.
3	L & T – 580-3 Loader Backhoe	2	L & T Case Equipment Ltd.	2001	0.90 Cu. Mt.
4	Tandem Vibratory Compactor	2	L & T – Case Equipment Pvt. Ltd. Model 752	2002	10 Tone
5	Volve Motor Grader Model – G720	1	VOLVO India Ltd.	2002	15 Tones class machine
6	Crane Model – Hydra 10	1	Escorts Construction	2002	10 Tone capacity

			Equipment Ltd.		
7	JCB 430Z	1	Escorts JCB Ltd.	2001	1.70 Cu.Mt.
8	Concrete Batching Plant	1	SIMEM India Pvt. Ltd.	2002	160 cum/hr.
9	Slipform Paver S1000	1	Ancon International G & Z	2002	Paving 17 mtr. Wide
10	Bituminous Paver Finisher	1	Ingersoll - Rand	2002	Paving 10 mtr. Wide
11	Total Station	1	Pentax ATS – 102 & Level AL-240	2002	1/5sec +/- 2mm/+2pp m
12	Concrete Cutting Saw Machine	2		2003	Capacity 110mm
13	Vibratory Compactor for bituminous Work	1	Ingersoll – Rand	2001	10 Tonne
14	Escorts Vibratory Roller (Road Roller)	1	ESCORT	2002	80-100 KN
15	Concrete Paver Block Machine	3	Columbia (USA)	2004	10000 Nos Per day/per Machine
16	Tippers & Dumpers	29	Ashok Leyland	2001 & 2003	15/cum 30 Tones
17	Tailor	1	Ashok Leyland	2002	40 long
18	Weigh Bridge	2	Vinil Process Controls Pvt. Ltd.	2001	50 M.T
19	Crushing Plant	1	Puzzolana Machinery Fabricators (Hyderabad)	2002	150 TPH
20	Chilling Plant	1	Reynold India Pvt. Ltd.	2002	
21	Humboldt USA make Moiture Density Gauge	1	AE & C Model HS – 5001C	2002	
22	D. G. Set	4	TIL/ CAT	2002	320 KVA 320 KVA 180 KVA 600 KVA
23	Transit Mixer	2	BNK	1999	6 M3
24	Pentax Automatic Level	5	Lawrence & Mayo	2002	AP-240 Telescopic 4 Meters
25	D. G. Sets	1	Powerica Ltd.	2004	66 KVA
26	Tandem Vibratory Compactor (Baby Roller)	1	L & T – Class Equipment Ltd. Model 450	2004	4 Tonne

Technology

The company does not have any agreement with parties for providing technology for its operations. The projects undertaken by the company generally specify the technologies or methodology to be adopted for which key technical personal of company are experienced; hence there is no need for any outside collaboration. The technology and methodology to be adopted are specified in the tender conditions too. It is a normal practice in tendering that a bidder in order to pre-qualify should have implemented projects involving similar technology. Most of the projects involve technologies, which are available domestically.

Marketing and Sales

Construction contracts for infrastructure works in India are substantially offered by the government sector like Central government, the state governments, Municipal Corporations etc. Funds for these are allocated through their budgetary support as well as through international and domestic financial institutions such as World Bank, Asian Development Bank, Japan Bank for International Cooperation, Housing and Urban Development Corporation, National Bank for Agriculture and Rural Development etc. In view of the nature of our market, the major sources of information of ensuing tenders for construction contracts are newspapers and government gazettes. In addition to this, construction contracts are also offered by the private sector which follows a similar practice with regard to taking decision on capital construction works i.e. issue of tender notice for pre-qualification followed by bids from pre-qualified contractors and finalization of contract with the lowest bidder.

Collaboration, any performance guarantee or assistance in marketing by collaborator:
Except for the joint venture agreements details of which have been mentioned on page 74 of this Draft Red Herring Prospectus there are no other collaborations entered into by us.

Infrastructure Facilities:
Raw Materials
The requirement of raw materials like cement, steel, diesel, furnace oil, aggregate and bitumen is project specific and are determined by the total orders received for projects. This requirement is processed through negotiations with the suppliers keeping in view the logistics of location of project and timing of supply. The procurement of raw materials is centralized at the purchase department, which is based on the delivery schedule of each project.

We have a set of suppliers for cement, steel, diesel and bitumen with whom we at times enters into long term contract thus ensuring continuous supply and at a right price. The tender documents for all contracts awarded to our Company include contingencies for price escalation of raw materials. In the event of price escalation we would be indemnified as against the difference in cost after escalation as per the conditions of the tender document. In case of small requirements the company procures from local suppliers. Lands near the construction sites are taken on lease from Government or private parties for boulders, which are using the crushing plants installed at the site.

Water
Water is largely project specific and is procured locally at construction sites.

Electricity
The construction projects are not power intensive. Power is required at site for running various machineries and equipments and also for lighting. Generally power requirements are met at site through normal distribution channel like relevant Electricity Board / Discoms. This is also generated by DG sets. We own 8 DG Sets of different capacity ranging from 5.5 KVA to 600 KVA used as per the requirements.

Environmental Clearance
Any delay in the clearance can stall the project for a long time thereby causing losses. In projects executed by us Environmental Clearance is the obligation of the project authority / project owner.

Fuel
The requirement of diesel for operating the machinery / equipment and generating sets is met by supplies from the local markets.

Manpower
The Company has 110 permanent employees working as on March 20, 2007. The details of manpower employed by the Company are as follows:

Particulars	No. of Employees
Managerial	10
Skilled	40
Unskilled	60

Products / Services of the Company
We are currently operating in the Sub-contracting and Engineering, Procurement and Construction (EPC) segment of construction of Roads / Infrastructure. However there are a variety of types of contracts that are in vogue and the definitions are being redrawn with the progress of the industry. The construction industry operates on the basis of contractual agreements. Different types of contracts have evolved over the years keeping in line with the changing nature and needs of the economy. Those contracts related to our business are Item Rate Contracts, Percentage rate, Lump Sum Turn Key ("LSTK") Engineering, Procurement and Construction ("EPC"), and sub contracts. The nomenclatures have been explained below:

1. *Item Rate Contract:*

In these contracts, contractors are required to quote rates for individual items of work on the basis of schedule of quantities (Bill of Quantities – BOQ) furnished by the client. This schedule indicates full nomenclature of the items as per order. This is one of the distinguishing features of the industry wherein the criteria for each project are different depending on the location, climate and other existing conditions. The pre-qualified contractors are invited to submit the financial bids. The bids have to be quoted for each activity individually and the most competitive bidder is awarded the contract. The design and drawings and specifications will be provided by the project owner.

2. *Percentage Rate:*

In this type of contract, the Company is required to quote the percentage above or below or at par of the estimated cost mentioned in the tender. The design and drawings and specifications are provided by the project owner.

3. *Lump Sum Turnkey (LSTK) / Engineering Procurement & Commissioning (EPC):*

In this form of contract contractors are required to quote a fixed sum for execution of a work complete in all respects, i.e., design engineering, execution as per the drawing, design and specifications submitted by the contractor and approved by the client. The client will provide the tentative quantities involved and any increase or decrease of the quantities will have to be absorbed by the contractor.

4. *Sub-contracts*

It is a common practice in the industry to sub-contract the whole or part of the work to sub-contractors. Sub-contracts can be either piecemeal or back to back basis. In piecemeal contracts, the original contractor sub-contracts a small part of the project work to a smaller contractor. In back to back contracts the entire project is executed by the sub contractor and paid to by the main contractor.

In certain back-to-back contracts the sub contractor is a nominated sub-contractor. It means that the client has approved of the sub-contractor and therefore the sub-contractor can reflect the work done as part of the pre qualification criteria. The sub-contractors who are not so nominated cannot include such work done in the pre-qualification criteria for bidding for future projects

Our Joint Ventures

The Company has entered into a Joint Venture Agreement with Prakash Construction & Engineering Limited for the purpose of undertaking work of civil engineering nature.
The Company has carried two projects through the said Joint Venture:

- Construction of Solid Approach for Bandra- Worli Sea Link from Mahim flyover upto Toll Plaza Chainage 445 to 1481 Meters and
- Construction of Mumbai- Pune Expressway Part Kon to Kalamboli (Bypassing Pnvel Town) Package-I from 0/000 Km to 8/200 Km and Shedung Connector. However, for the last three years the Company has not executed any projects with Prakash Construction & Engineering Limited.

For financials please refer to page no. 74 of section "Our Group Companies / Joint Ventures."

Future Prospects

We look at future of road construction industry with optimism. It derives its optimism from various factors including Government emphasis on creating world class infrastructure, favorable investment climate leading to industrial growth and booming housing sector.

The dynamics of road construction industry has undergone a massive change in the last few years. Though the importance of road infrastructure and the crucial role it plays in the growth of the economy was never in doubt, it has nonetheless remained undermined. However, its acknowledged importance and the impetus provided by the Central and State Governments have ensured that the sector gets due attention.

Capacity and Capacity Utilization

The nature of our business is project specific not in the nature of a manufacturing concern with specified installed capacity, therefore, the installed and utilization capacity can not be determined.

Insurance

The Company has availed of the following insurance policies.

No	Policy No.	Period		Particulars
		From	To	
1.	141700/31/05/05138	19/7/2006	18/7/2007	■ The insurance certificate is for car bearing registration number MH-04-BH-9274 at Chembur, Mumbai. ■ The vehicle is insured in the name of the Company. ■ The insurance provider is The New India Assurance Company Ltd. ■ The premium to be paid is Rs. 7,425/-.
2.	163885/31/06/67008958	3/6/2006	2/6/2007	■ The insurance certificate is for commercial vehicle Ashok Leyland Dumper bearing registration number OR-01-G-8214 at Balasore, Orissa. ■ The vehicle is insured in the name of the Company. ■ The insurance provider is National Insurance Co. Ltd. ■ The premium to be paid is Rs.4,888/-.
3.	163885/31/06/67008957	3/6/2006	2/6/2007	■ The insurance certificate is for commercial vehicle Ashok Leyland Dumper bearing registration number OR-01-G-8209 at Balasore, Orissa. ■ The vehicle is insured in the name of the Company. ■ The insurance provider is National Insurance Co. Ltd. ■ The premium to be paid is Rs.4,888/-.
4.	163885/31/06/67008956	3/6/2006	2/6/2007	■ The insurance certificate is for commercial vehicle Ashok Leyland Dumper bearing registration number OR-01-G-8203 at Balasore, Orissa. ■ The vehicle is insured in the name of the Company. ■ The insurance provider is National Insurance Co. Ltd. ■ The premium to be paid is Rs.4,888/-.
5.	163005/31/05/6700006989	31/3/2006	30/3/2007	■ The insurance certificate is for Tata Water Tanker bearing registration number OR-01-G-8225 at Balasore, Orissa. ■ The vehicle is insured in the name of the Company. ■ The insurance provider is National Insurance Co. Ltd. ■ The premium to be paid is Rs. 4,193/-.
6.	163005/31/05/6700006988	31/3/2006	30/3/2007	■ The insurance certificate is for Tata Truck bearing registration number OR-01-G-8219 at Balasore, Orissa. ■ The vehicle is insured in the name of the Company. ■ The insurance provider is National Insurance Co. Ltd.

No	Policy No.	Period		Particulars
		From	To	
				■ The premium to be paid is Rs. 4,193/-.
7.	163885/31/06/67008955	3.6.2006	2.6.2007	■ The insurance certificate is for Ashok Leyland Dumper bearing registration number OR-01-G-8206 at Baleshwar, Orissa. ■ The vehicle is insured in the name of the Company. ■ The insurance provider is National Insurance Co. Ltd. ■ The premium to be paid is Rs. 4888/-.

Purchase of property

The proceeds of the issue will not be utilize for purchase of any property.

Our Indebtedness

Nature of Borrowing	Type of Loan	Sanctioned Amount	Outstanding amount as on 31st,Dec. 2006	Repayment Schedule	Rate of Interest	Security
Canara Bank	Cash Credit	443.00	388.00		14.75%	Hypothecation of stocks and other current assets of the company. Also secured by way of EMT of premises at Navi Mumbai and Chembur and personal guarantee of the Chairman and Managing Director and Mrs Asha Chopra and M/s Asha Trading Co.
IDBI BANK	Cash Credit	750.00	609.00		12.50%	Parri passu charge with Canara Bank on Fixed and current assets of the company
Canara Bank	Term Loan	100.00	60.00	Repayable in 20 quarterly instalments beginning October 2004	13%	Hypothecation of Machinery and continuing liability of working capital loan
Canara Bank	Demand Promissory loan	150.00	83.00	31-Mar-07	14.75%	Comfort letter of Larsen and Toubro Limited and continuing liability of working capital loan
ICICI Bank	Hire purchase equipment finance	171.00	60.02	Repayable in 36 monthly instalments beginning Sept 2004	9.00%	Hypothecation of various Machinery and equipments
SREI Infrastructure Limited	Hire purchase equipment finance	163.00	41.28	Repayable in 54 monthly instalments beginning March 2003	12.00%	Hypothecation of various Machinery and equipments
Indusind Bank	Hire purchase equipment finance	1,250.00	374.00	Repayable in 36 monthly instalments beginning June 2003	12.00%	Hypothecation of various Machinery and equipments

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The summary of regulations set out below is not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.

There are no specific regulations in India governing the construction industry. Set forth below are however certain significant legislations and regulations that are generally adhered to by this industry in India:

General

Our Company is engaged in the business of infrastructure projects and is mainly into building of roads, bridges, *construction and up-gradation of airports*, highways and other civil construction. Contracts by our Company are executed in pursuance of tenders issued by the Government, Government agencies, Government companies, private companies, public companies and multinational companies or by orders placed by them. For the purpose of executing the work undertaken by the Company, we may be required to obtain licenses and approvals depending upon the prevailing laws and regulations applicable in the relevant State and depending on the project required to be executed. For details of such approvals please see "Government Approvals" on page 134 of this DRHP/RHP/Prospectus.

Regulation for the road sector

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

National Highways Act, 1956 ("***NHA***")

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

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 provides that the Central Government may enter into agreements with persons for development and maintenance of the whole or part of a national highway / permanent bridge / temporary bridge on national highway. Such person may invest his own funds for development or maintenance and is allowed to collect and retain the fees at agreed rates from different categories of vehicles for an agreed period for the use of the facilities created herein.

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

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

National Highways Authority of India ("***NHAI Act***")

The NHAI Act provides for the constitution of an authority for the development, maintenance and management of national highways. Pursuant to the same the National Highways Authority of India ("***NHAI***") was set up in 1995. Under the NHAI Act, the Central Government carries out development and maintenance of the national highway system through NHAI, an autonomous body. Pursuant to the same, NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act. The NHAI commenced the National Highway Development Project involving the conversion of 14,279 kilometers of national highways to 4/6-lanes, at a total estimated cost of Rs. 54,000 Crore. This development program is founded on a revenue model comprising tolls and a cess on fuel, to build roads which deliver sustained performance.

In an effort to provide for additional financing of its projects, the NHAI has taken measures to attract private sector participation in development of projects. The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, such contracts can exceed the value so specified with the prior approval of the Central Government. The NHAI provides that the contracts for acquisition, sale or lease of immovable property cannot exceed a term of thirty days.

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

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

- In the pre-qualification stage, NHAI selects certain bidders on the basis of technical and financial expertise, prior experience in implementing similar projects and previous track record; and
- In the second stage, NHAI invites commercial bids from the pre-qualified bidders on the basis of which the right to develop the project is awarded.

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

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

- the Government ensures that all preparatory work including land acquisition and utility removal is completed before awarding of the project;
- right of way is made available to the concessionaires free from all encumbrances;
- NHAI / Government may provide capital grant up to 40% of project cost to enhance viability on a case to case basis;
- 100% tax exemption for 5 years and 30% relief for next 5 years, which may be availed of in 20 years; and
- duty free import of specified modern high capacity equipment for highway construction.

Joint Ventures between the public and private sectors

The Government is seeking greater private sector participation and financing in the modernization and upgrading of existing airport facilities including through BOT, Build Own Lease Transfer (***BOLT***), Build Own Operate (***BOO***), Lease Develop Operate (***LDO***), Joint Ventures (***JV***) and management contracts. Besides the current proposals for Mumbai and Delhi airports, this also includes plans to modernize thirty non-metro airports by inviting private participation.

Environmental and Labour Regulations

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

- Contract Labour (Regulation and Abolition) Act, 1970;
- Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
- Factories Act, 1948;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Payment of Gratuity Act, 1972;
- Shops and Commercial Establishments Acts, where applicable;
- Environment Protection Act, 1986;
- Minimum Wages Act, 1948;
- Hazardous Waste (Management and Handling) Rules, 1989;
- Workmen's Compensation Act, 1923;
- Environment Protection Act, 1986;
- The Water (Prevention and Control of Pollution) Act, 1974; and
- The Air (Prevention and Control of Pollution) Act, 1981.
- Inter State Migrant Workers Act, 1979.

The following paragraphs detail the major legislations applicable to our business.

LABOUR REGULATIONS

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("***CLRA***") has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour.

The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued.

To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

Employee State Insurance Act, 1948

The Employee State Insurance Act, 1948 ("***ESIA***") aims to provide benefits for employees or their beneficiaries in case of sickness, maternity, disablement and employment injury and to make provision for the same. It applies to, *inter alia*, seasonal power using factories employing ten or more persons and non-power using factories employing 20 or more persons. Every factory or establishment to which the ESIA applies is required to be registered in the manner prescribed in the ESIA.

Under the ESIA every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages upto Rs. 7,500 per month is entitled to be insured. In respect of such employees, both the employer and the employee must make certain contributions to the Employee State Insurance Corporation. Currently, the employee's contribution rate is 1.75% of the wages and that of employer's is 4.75% of the wages paid/payable in respect of the employee in every wage period.

The ESIA states that a principal employer, who has paid contribution in respect of an employee employed by or through an immediate employer, shall be entitled to recover the amount of the contribution so paid from the immediate employer, either by deduction from any amount payable to him by the principal employer under any contract, or as a debt payable by the immediate employer.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("***MWA***") came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

Workmen's Compensation Act, 1923

The Workmen's Compensation Act, 1923 ("***WCA***") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement.

The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 ("***PGA***") was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years:

(a) on his/her superannuation;

(b) on his/her retirement or resignation;

(c) on his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply).

The PGA establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company; every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months; and in such other establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months, as the central government may, by notification, specify. Penalties are prescribed for non-compliance with statutory provisions.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("***EPFA***") was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It provides for the institution of provident funds and pension funds for employees in establishments, which employ more than 20 persons, and factories specified in Schedule I of the EPFA. Under the EPFA, the central government has framed the "Employees' Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees' Family Pension Scheme". The funds constituted under these schemes consist of contributions from both the employer and the employees, in the manner specified in the statute. The EPFA prescribes penalties for avoiding payments required to be made under the above-mentioned schemes.

Factories Act, 1948

The Factories Act, 1948 ("***Factories Act***") aims at regulating labour employed in factories. A "factory" is defined as "*any premises…whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of* *power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on…*".

Under the Factories Act, the state government may make rules mandating approval for proposed factories and requiring licensing and registration of factories.

The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures.

The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the "occupier", being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine.

The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

Local Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Environmental Legislations

Water (Prevention and Control of Pollution) Act 1974

The Company is required to obtain consent under the Water (Prevention and Control of Pollution) Act 1974 for discharge of sewage and trade effluent.

The Company has been granted consent under Section 26 of the Water (Prevention and Control of Pollution) Act 1974 for discharge of effluent in respect of its Factory by the Maharashtra Pollution Control Board.

Air (Prevention and Control of Pollution) Act 1981

The Company is required to obtain consent under the Air (Prevention and Control of Pollution) Act, 1981 for establishing and operating industrial plant.

The Company has been granted consent under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for discharge of effluent in respect of its Factory by the Maharashtra Pollution Control Board.

Hazardous Wastes (Management and Handling) Rules, 1989

The Company is required to obtain consent under the Air (Prevention and Control of Pollution) Act, 1981 for establishing and operating industrial plant.

The Company has been granted consent under Rule 5 of the Hazardous Wastes (Management and Handling) Rules, 1989 for its Factory by the Maharashtra Pollution Control Board.

REGULATIONS REGARDING FOREIGN INVESTMENT

Under the Industrial Policy and FEMA, Foreign Direct Investment ("***FDI***") up to 100% is permitted under the automatic route in projects for construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular bridges and ports and harbours.

Further, 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. In respect of the companies in infrastructure/ service sector, where there is a prescribed cap for foreign investment, only the direct investment is considered for the prescribed cap.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("***FIIs***") 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 RBI to engage in transactions regulated under FEMA. FIIs are further required to comply with the provisions of SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. With the the initial registration and RBI's general permission a registered FII is entitled 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 for that company after approval of the Board of Directors and shareholders of the company. The total holding of a single FII should not exceed 10% of the total issued capital of the company or in case of a sub- account, 5% of the total issues capital in case where 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.

RBI has, by its circular being 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 the said circular. No approvals of FIPB or RBI are required for such allotment of Equity Shares under this Issue. Our Company will be required to make however make certain filings with RBI after the completion of the Issue.

OUR CORPORATE STRUCTURE

We are an engineering and construction company focusing on road construction development. We were incorporated on April 1, 1998 as a private company. We took over the business of Niraj Cement Structurals (partnership firm) in December 1999, which was engaged in cement structural business since 1987. We are catering to road projects through sub contracting. We are headquartered in Mumbai and have capability to execute various road construction projects.

Our present areas of operations are sub-contracting including providing EPC services. We have a fleet of construction equipment all of which we own directly or through our joint ventures. We believe that our employee resources and fleet of equipment, along with our engineering skills and capabilities, enable us to successfully implement a wide variety of road construction projects that involve varying degrees of complexity.

We enter into sub-contracting assignments primarily through a competitive bidding process. We execute most of our projects as the sub-contractor though we aim to establish our direct presence over a period of time. As the project sizes are expanding we team with major contractors to meet specific eligibility requirements for certain larger projects, including requirements relating to particular types of experience and financial resources, we also enter into project-specific joint ventures with other construction companies at times as minor partners and EPC sub-contractor.

HISTORY AND MAJOR EVENTS

Year	Event
1998	Incorporated as a Private Limited Company
1999	Forayed into Project Execution with setting up of a Joint Venture with Prakash Construction & Engineering Company
1999	Joint Venture with Prakash Construction awarded Bandra- Worli Sealink (Pkg III)
2001	Awarded Orissa Project
2002	Imported concrete slip form paver machines-1000 from Guntert & Zimmerman, USA of 17 meter wide paving capacity Imported concrete batching plant from SIMEM, Italy with capacity 160 Cum/ Hr
2006	Awarded Best quality trophy by L&T Limited

Changes in Registered Office of our Company

There is no Change in address of the Registered Office of the Company since incorporation.

MAIN OBJECTS OF THE COMPANY

The main objects of our Company as contained in our Memorandum of Association are as set forth below:

To takeover the business of Niraj Cement Structurals a partnership firm to enter into partnership with the partners of the said firm on such terms and conditions as may be mutually agreed upon and to carry on the business of cement structures in its form and intants.*

**Clause No. 1 replaced by Special Resolution passed on December 9, 1999 vide certificate dated December 28, 1999 issued by Registrar of Companies, Maharashtra, Mumbai.*

1. To carry on the business of construction of highway expressways, turnkey projects, roads, bridges, tunnels, setting up of various infrastructure facilities for mall, village, town/ city developments, turnkey projects and to carry on the business of builders, contractors, dealers in and manufacturers of pre fabricated and pre-caste houses, buildings, and erections and materials, tools implements, machinery and metal ware in connection therewith or incidental thereto and to carry on any other business that is customarily, usually and conveniently carried on therewith.

2. To carry on the business of manufacturers, dealers, processors, fabricators, drawers grills, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, rollers and reorders of ferrous and non-ferrous metals, iron, brass, lead, silver, steels, bimetal products, copper and copper alloys, alloy steels, stainless steels, bars, shafting, squares from scrap, sponge iron, pre-reduced pillars, cements, cement structural, billets, including manufacturing processing, and fabricating of pipes, wires, nails, wire-ropes, wire products, screws, expended metal hinges, plates, hopes angles and to manufacture any other engineering products to be used for constructions and infrastructure.

Changes in Memorandum of Association

Date of Shareholders' Approval	Changes in the Memorandum of Association
December 9, 1999	Alteration in the Main Object Clause to facilitate take over of partnership business carried on in the name of "Niraj Cement Structurals"
December 31, 2001	Increase in Authorized Capital from Rs. 25,00,000 to 1,00,00,000
March 30, 2002	Increase in Authorized Capital from Rs. 1,00,00,000 to 2,00,00,000
April 01, 2005	Increase in Authorized Capital from Rs. 2,00,00,000 to 5,00,00,000
January 12, 2006	Change in the name of the company due to change in the status of Company
March 11, 2006	Increase in Authorized Capital from Rs 5,00,00,000 to 7,00,00,000
September 30, 2006	Increase in Authorized Capital from Rs. 7,00,00,000 to 12,00,00,000

Raising of Equity
For details in relation to the raising of equity, please refer to chapter titled "Capital Structure" on page 14 of the Draft Red Herring Prospectus.

Subsidiaries
We do not have any subsidiaries as on date of filing of the Draft Red Herring prospectus.

Shareholders Agreement
We do not have any shareholder Agreement as on date of filing of the Draft Red Herring prospectus.

Other Agreements
There are no other agreements entered into by Company.

Strategic Partners
We currently have no strategic partners

Financial Partners
There are no financial partnership agreements entered into by Company.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, we cannot have less than 3 (Three) and more than12 (twelve) directors. We 7currently have 4 (Four) Directors on our Board.

The following table sets forth current details regarding our Board of Directors:

Name, Designation, Father's Name, Age, Address, Occupation	Date of Appointment and Term	Other Directorships
Mr. Vijay Kumar Chopra *Chairman and Managing Director* DIN:00834612 S/o Raj Kumar Chopra 59 Years Niraj House, Sunder Baug Neer Deonar Bus Depot Chembur Mumbai – 400 088 Occupation: Business	April 1, 1998	■ Mugtangan Developers Private Limited
Mr. Gulshan V. Chopra *Director* DIN: 00834573 S/o. Mr. V.K. Chopra 33 Years Niraj House, Sunder Baug Near Deonar Bus Depot Chembur Mumbai – 400 088 Occupation: Business	April 1, 1998	■ Nil
Dr. B. Samal *Independent Director* DIN No: 00007256 S/o. late Shri Nabaghang Samal 63 Years Flat No.1101, Lokhandwala Galaxy, Junction of N.M.J & K.K. Marg, Near S Bridge, Byculla (W), Mumbai Occupation: Retired	September 30, 2006	■ Jaiprakash Associates Limited (Nominee IDBI) ■ Surana Industries Limited ■ Prime Properties Development Corporation Limited ■ Samurai Entertainment Corp Private Limited ■ Shri Ram Life Insurance Company Limited
Mr. G. R. Kamat *Independent Director* DIN No. 00453639 S/o. Ramdas Kamat 62 Years A1-5, Shayagiri, Deonar Baug, Next to Telecom Factory, Chembur, Mumbai Occupation: Retired	September 30, 2006	■ Nil

Details of Directors

Mr. V. K. Chopra (Chairman and Managing Director):

59 years, is Chairman and Managing Director and founder of our Company. He graduated in science from K.J. Somaiya College, Bombay University in the year 1969 and has more than three decades of experience in construction business, initially starting with dealership of cement and building materials and later on venturing into manufacture of pre-casted cement products. He currently looks after strategy and overall management of Niraj Cement Structurals Limited.

Mr. Gulshan. V. Chopra (Director):
33 years, is Director of our Company. He cleared his H.S.C. in the year 1990 and has over the years gained experience in construction and infrastructure business. He oversees the overall operations at Niraj Cement Structurals Limited.

Dr. B. Samal (Director)
63 years, is an independent director and is an ex banker with a career spanning more than three decades. He has a Masters degree in Agricultural Economics and Farm Management (Gold Medalist) and is Doctorate (Ph.D) in Economics from Kalyani University, West Bengal. He is former Chairman and Managing Director of Allahabad Bank and Industrial Investment Bank of India Limited and has been conferred "Seva Ratna" award by His Excellency, Governor of West Bengal

Mr. G.R. Kamath
Mr. G. Ramdas Kamath aged 62 years is an Ex-General Manager of Canara Bank, He obtained his degree in commerce and accounting at St. Alyonis College Mangalore. He had completed part-I CAIIB. Mr. Kamath joined the bank in the year 1966 and during his career held various positions including General Manager, Canara Bank heading north circle Mumbai

Borrowing Powers of the Board
The board of Directors is authorized to mortgage and / or change, in addition to the mortgage / charges / created / to be created by the company in such form and manner and with such ranking and at such time and on such terms as the Board may consider determine all or any of the moveable and / or immovable properties of the company, both present and future and /or the whole or any part of the undertakings of the company together with the power to take over the management of the business and concern of the company in certain events of defaults in favour of the agents / trustees/ lenders for securing the said equity shares as may be stipulated in that behalf and agreed to between the board of directors or committee thereof and the agents/ trustees/ lenders / financial institutions upto a limit of Rs. 50,000 lakhs (Fifty thousand lakhs Only) maximum.

Compensation of Managing Directors / Whole Time Directors:
Vijay Kumar Chopra, Chairman and Managing Director
Vijay Kumar Chopra was appointed as our Chairman and Managing Director pursuant to the provisions of the Companies Act for a period of 5 years with effect from April 1, 2006, a resolution of our Board on April 1, 2006 and a resolution of our shareholders at the EGM held on September 30, 2006 and under an agreement executed between us and Mr. Vijay Kumar Chopra. The significant employment terms are as follows:

Particulars	Remuneration
a. Salary	Rs. 50,000 per month
b. Perquisites	(i) House Rent Allowance Rs. 10,000 per month (ii) Medical Benefits Rs. 10,000 per month (iii) Club Fees: Fees for two Clubs not including Admission & Life Membership Fees
c. Other Perquisites	Provident Fund, Superannuating and Gratuity will be allowed as per the Rules of the Company. He will be provided Car for use on Company's Business and will also be provided Mobile and a Telephone at his residence, as per the Rules of the Company, which shall not be included in the computation of Perquisites.

Gulshan V. Chopra, Director
Gulshan V. Chopra was appointed as our director pursuant to the provisions of the Companies Act for a period of 5 years with effect from April 1, 2006, a resolution of our Board on April 1, 2006 and a resolution of our shareholders at the EGM held on September 30, 2006 and under an agreement executed between us and Mr. Gulshan V. Chopra. The significant terms of his employment are as follows:

Particulars	Remuneration
a. Salary	Rs. 50,000 per month
b. Perquisites	(i) House Rent Allowance Rs. 10,000 per month (ii) Medical Benefits Rs. 10,000 per month (iii) Club Fees: Fees for two Clubs not including Admission & Life Membership

c. Other Perquisites	Fees Provident Fund, Superannuating and Gratuity will be allowed as per the Rules of the Company. He will be provided Car for use on Company's Business and will also be provided Mobile and a Telephone at his residence, as per the Rules of the Company, which shall not be included in the computation of Perquisites.

Corporate Governance
The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We have already initiated steps to comply with the requirements of Corporate Governance Code in accordance to Clause 49 (as applicable) of the Listing Agreement to be entered into with the stock exchange (s) prior to the listing of our Equity Shares.

The Board has four Directors, of which the Chairman of the Board is an executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, we have two executive Directors and two independent Directors on our Board. We have also constituted various committees viz. Audit Committee, Remuneration Committee and Investors Grievances Committee in compliance Clause 49 of the Listing Agreement dealing with Corporate Governance.

Further, our Company undertakes to comply with all the other requirements of Corporate Governance as may be applicable to the Company upon listing of its equity shares.

Committees of the Board

1. *Audit Committee*
The Audit Committee was constituted by our Directors at their Board meeting held on September 30, 2006. The purpose of the audit committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters. The audit committee consists of

Dr. B.Samal (Chairman)
Mr. Gulshan V.Chopra Member
Mr. G.R. Kamat Member

The terms of reference of the audit committee are in accordance with the requirements under Clause 49 of the Listing Agreement.

2. Remuneration Committee
The Remuneration Committee was constituted by our Directors at their Board meeting held on March 24, 2006. The Committee's goal is to ensure that the Company attracts and retains highly qualified employees in accordance with its business plans, that the Company fulfils its ethical and legal responsibilities to its employees, and that management compensation is appropriate.

The Remuneration Committee consists of
Mr. G.R. Kamat (Chairman)
Mr. Gulshan V.Chopra Member
Dr. B.Samal Member

The terms of reference of the Remuneration Committee include the following:
- To determine the remuneration, review performance and decide on variable pay of executive Directors;
- Establishment and administration of employee compensation and benefit plans.

3. Investor Grievances Committee
The Investor Grievance Committee was constituted by our Directors at their Board meeting held on September 30, 2006. This Committee is responsible for the redressal of shareholder grievance. The Investor Grievances

Committee consists of
Mr. Gulshan V.Chopra (Chairman)
Dr. B.Samal Member
Mr. G.R. Kamat Member

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

- Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest and non receipt of annual report, including the balance sheet.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Shareholding of the Directors in the Company

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in our Company. The following table details the shareholding of our Directors in their personal capacity and either as sole or first holder, as of the date of this Draft Red Herring Prospectus.

Sr. No.	Name	No. of shares	% of Pre-Issue Capital	% of Post-Issue Capital
1	Mr. Vijay Kumar Chopra	11,53,750	16.27%	11.16%
2	Mr. Gulshan V. Chopra	11,00,000	15.51%	10.64%
3	Dr. B. Samal	Nil	Nil	Nil
4	Mr. G. R. Kamat	Nil	Nil	Nil

INTEREST OF DIRECTORS / PROMOTERS

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

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.

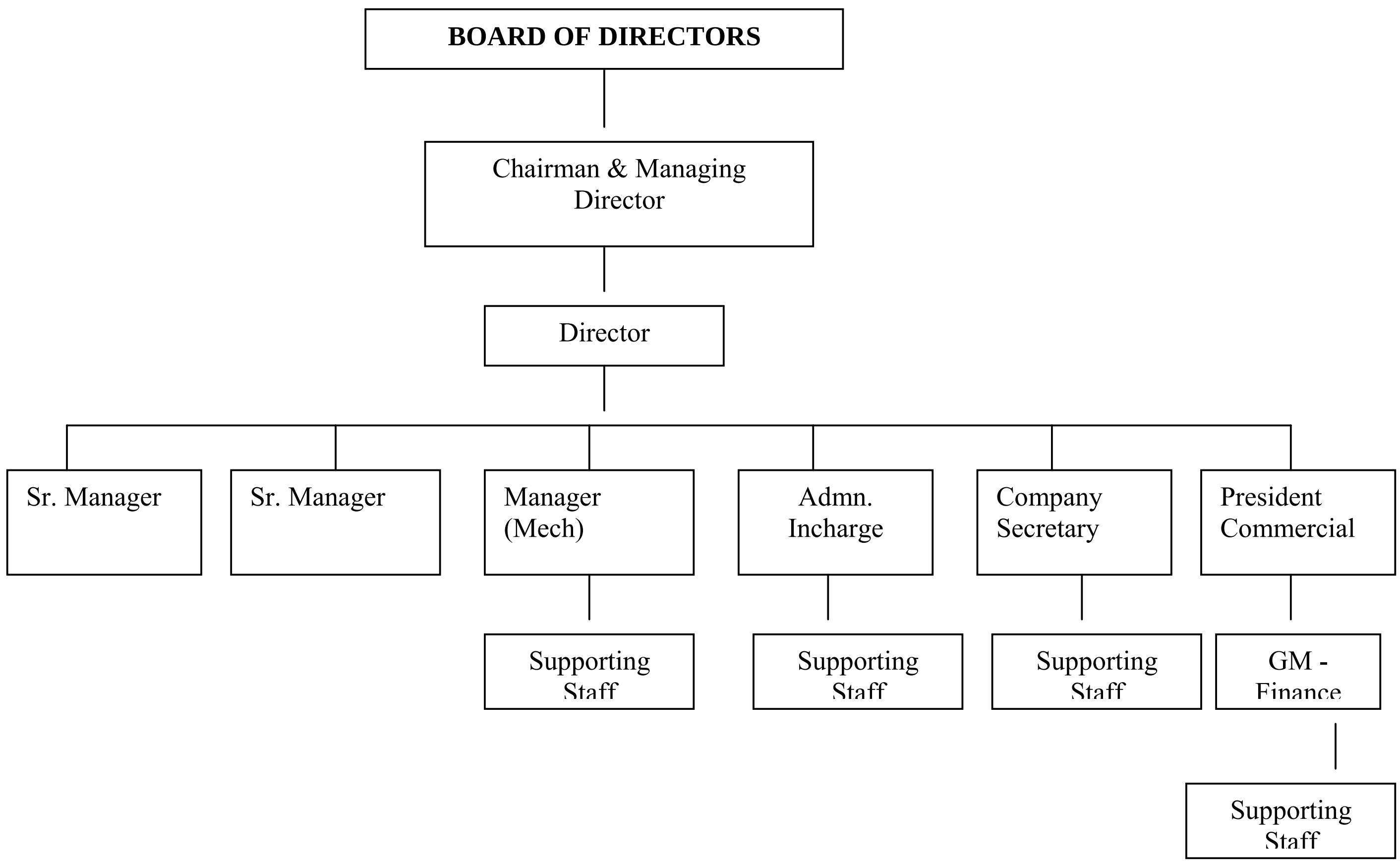
Our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by us with any Company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

Our executive Directors receive remuneration from us. For further details see the section titled "Our Management" on page 85 of this Draft Red Herring Prospectus.

Changes in Directors during the last three years

Name	Date of Appointment / (Cessation)	Reason
Mr. Ravindra.K. Jain	(March 28, 2006)	Resignation
Mr. Adarsh Jain	(March 28, 2006)	Resignation
Mr. Mohanlal Fatehpuria	(March 28, 2006)	Resignation
Mr. Ashwin Mehta	(March 28, 2006)	Resignation
Mr. Ajay Modi	(March 28, 2006)	Resignation
Ms. Asha V. Chopra	September 30, 2006	Resignation
Mr. B. Samal	September 30, 2006	Appointed as Additional Director
Mr. G.R. Kamat	September 30, 2006	Appointed as Additional Director

Management Organization Structure



Other than Vijay K. Chopra and Gulshan V. Chopra our Key Managerial Personnel are as follows:

Brief Profile of the Key Managerial Personnel

Brief Profile of our Key Managerial Personnel other than directors is as follows:

Name	Designation	Experience (in yrs.)	Date of Joining	Gross Salary (2005-06)	Qualification	Previous Employment
Mr. M. Das	President Commercial	49 years	April 1, 2002	5.54	B.Com, Materials Management from Calcutta Productivity Council, Materials Management from Administration Staff College, Hyderabad, DBM	Garuda Carriers and Shipping Company Limited
Mr. Soni Agarwal	General Manager, Finance	8 years	April 1, 1998	2.84	B.Com, M.B.A. (Finance)	Nil
Mr. Krishnakumar Dave	Sr. Manager Projects	31 years	November 1, 2004	4.64	B.E. (Mech), Diploma in Automobile Engineering,	Ornet Multimodal Carriers
Mr. M. K. Shyam	Senior Engineer	19 years	April 1, 1997	2.64	Diploma in Civil Engineering	Prakash Construction and Niraj Structurals-JV
Mr. Mostak Mandal	Manager Projects	7 years	November 1, 2001	3.04	Diploma in Civil Engineering	Prakash Construction and Niraj Structurals-JV
Mr. Bhojraj Krishna	Manger Projects	14 years	December 12, 1999	4.44	Diploma in Fire Engineering and Diploma in Automobile Engineering	Prakash Construction and Niraj Structurals-JV

Mr. M. Das (President Commercial)

68 years is President – Commercial of our Company is a graduate in commerce, DBM, Member – Indian Institute of Materials Management, Arbitration Council of India and Association of Stores and Materials Controllers, London. He has 48 years of experience in activities of commercial, finance, costing, arbitration and contractual obligations etc with companies like GKW Ltd, Brown Boveri Ltd., Mahindra Ugine Steel Co. Ltd, Ispat Industries and Garuda Carriers and Shipping Co. Ltd.

Mr. Soni Agarwal (General Manager, Finance)

36 years, is the General Manager, Finance of our company. He graduated in commerce in year 1993 from Poddar College, Bombay University and has completed Masters in Business Administration from Wellingkar Institute in the year 1995. Mr. Soni Agarwal has more than 10 years experience in the business and oversees the finance function of our Company.

Mr. Krishnakumar Dave - Plant Manager

57 Years, has done his B.E. (Mechanical) from Pune University in 1972 and Diploma in Automobile Engineering in 1974. Mr. Dave has business experience while working in various capacities He has more than 30 years of experience and joined our company in November 1, 2004. He is designated as Senior Manager, Projects.

Mr. M. K. Shyam - Senior Engineer

46 years, has done his Diploma in Civil Engineer in 1985 and has more than 19 years of experience in the construction business. He is designated as Senior Engineer and has been working with us since April 1, 1997.

Mr. Mostak Mondal - Manager - Projects
29 Years, has done a Diploma in Civil Engineering from West Bengal in the year 1999 and has more than 7 years of experience in the construction business. He joined our company in November 2001 and is currently designated as Manager - Projects.

Mr. Bhojraj Krishna – Manager, Projects
36 Years, has done a Diploma in Automobile Engineering in 1990 and Diploma in Fire Engineering in 1994. He has around 14 years of experience in construction. He joined our company in December 1999 and is currently designated as Manager, Projects.

The persons whose names appear as key management personnel are on the rolls of the Company as permanent employees. There is no arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any person was selected as director or member of senior management. None of the key managerial personnel have any relationship with our promoters or directors.

Shareholding of the Key Managerial Personnel:
None of the key managerial personnel hold any shares in the company.

Bonus or Profit Sharing Plan for the Key Managerial Personnel:
Except the payment of salaries and perquisites, we provide other benefits to employees that are uniform to all the employees and performance based ex-gratia payments. We do not have any profit sharing or stock option plans for any of our employees.

Interest of Key Managerial Personnel
The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in the Company.

Loans to key managerial personnel
There are no loans outstanding against key managerial personnel as on June 30, 2006.

Changes in the Key Managerial Personnel

The changes in our Key Managerial Personnel during the last 12 months are as follows:

No.	Name	Designation	Reasons	Resignation Date
1.	Mr. Kedar Chapekar	Project Manager	Resignation	July 10, 2005
2.	Mr. K L Daga	Executive Director	Resignation	September 16, 2005
3.	Mr. Ajit Singh	Executive Director	Resignation	June 11, 2005
4.	Mr. P Pathak	Vice President	Resignation	February 13, 2006
5.	Mr. G. D. Banerjee	General Manager	Resignation	July 9, 2005
6.	Ms. Dipti Gupta	Company Secretary	Appointment	November 5, 2006

There have been no other changes in the key management personnel during the last 12 months for existing activities.

Employees Share Purchase Scheme/Employee Stock Option Scheme
We do not have any stock option scheme or stock purchase scheme for the employees of our Company.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

PROMOTERS AND THEIR BACK GROUND

Details of the promoters

Mr. Vijay Kumar Chopra

Voter ID No.: MT/07/046/0787057
Driving Licence No.: 84/E/38255
Passport No.: F1226352
Permanent Account No.: AABPC5074D
Bank Account No: 9678, Canara Bank, Sindhi Society Branch, Sion Trombay Road, Chembur, Mumbai 400 071.
DIN:00834612

Mr. V. K. Chopra (Chairman and Managing Director):
59 years, is chairman and managing director and founder of our company. He graduated in science from K.J. Somaiya College, Bombay University in the year 1969 and has more than three decades of experience in construction business, initially starting with dealership of cement and building materials and later on venturing into manufacture of pre-casted cement products. He currently looks after strategy and overall management of Niraj Cement Structurals Limited.

Mr. Gulshan Vijay Kumar Chopra

Voter ID No.: N.A.
Driving Licence No.: MH03/90/19004
Passport No. : F5093544
Permanent Account No.: AABP5068K
Bank Account No: 24406 Canara Bank, Sindhi Society Branch, Sion Trombay Road, Chembur, Mumbai 400 071.
DIN: 00834573

Mr. Gulshan. V. Chopra (Director):
33 years, is director of our company and has over the years gained experience in construction and infrastructure business. He oversees the overall operations at Niraj Cement Structurals Limited.

Common Pursuits
There are no common pursuits

Payment or benefit to Promoters
Except to the extent of salary and benefits as stated in the chapter "Our Management" and rent payable to one of the Promoters as stated in "Related Party Information" on page no. 97 of this Draft Red Herring Prospectus, and their shareholding in the Company as stated in the section titled "Capital Structure of the Company" on the page no. 14 of this Draft Red Herring Prospectus., the Promoters of the Company have no interest in the business of the Company.

Other Confirmations

We confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoters will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with the Stock Exchanges.

Further, our Promoters and Promoter group entities, including relatives of the Promoters 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. None of our Promoters have been restricted from accessing the capital markets.

OUR GROUP COMPANIES / JOINT VENTURES

Asha Trading Company:

Asha Trading Company is a registered partnership firm. This firm was originally formed on February 10, 1997. The firm is engaged in the business of trading and commission agents of cements and building materials. The details of partners of the Asha Trading Company are as under:

Sr. No.	Name of Partner	Profit Sharing Ratio	Losses Sharing Ratio
1.	Smt. Asha Chopra	30 %	30 %
2.	Shri Gulshan Chopra	30 %	30 %
3.	Shri Vijay K Chopra	40 %	40 %

Financial Highlights

The Audited financial highlights for the last 3 years are as follows

(Rs. in lacs)

Particulars	March 31, 2006	March 31, 2005	March 31, 2004
Total Income	38.42	277.73	20.65
Net Profit after Tax	(1.51)	0.78	2.37
Partners Capital / Net Worth of Firm	17.57	36.37	39.96

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm. There are no litigations pending by or against the company except as disclosed under section 'Outstanding Litigation, Defaults and Material Development on page 131.

Mugtangan Developers Private Limited (MDPL)

MDPL was incorporated on May 10, 2005 by Mr. Vinayak B Kulkarni. The Company is in the business of development of land and real estate and dealing in properties both residential and commercial complexes.

The Board of Directors of MDPL are as under:

- Mr. Vinayak B Kulkarni
- Mr. Rohit R Katyal
- Mr. Vijaykumar Chopra

S
hareholding Pattern of MDPL

As on the date, the paid up equity capital of Rs. 40,00,000 is divided into 4,00,000 Equity Shares of Rs.10 each and the same is owned as follows:

No.	Name of the Shareholders	No. of Shares	% of Shareholding
1.	Pratibha Industries Limited	200000	50%
2.	Mr. Vijaykumar Chopra	100000	25%
3.	Mr. Rohit Katyal	100000	25%

The Summary of financials performance of MDPL for the last one year is given below: (Rs. in lakhs)

Particulars	March 31, 2006
Sales	NIL
Other Income	NIL
Net Profit after Tax	NIL
Share Capital	40.00
Reserves and Surplus	NIL
EPS	NIL
NAV	9.79

Currently there is no commercial activity being undertaken by MDPL.

Joint Ventures

The Company has entered into a Joint Venture Agreement with Prakash Construction & Engineering Limited for the purpose of undertaking work of civil engineering nature and incorporated a joint venture company called 'Prakash Construction Niraj Structurals'.

The Company has carried out various projects through the aforesaid Joint Venture Company:

- Construction of Solid Approach for Bandra- Worli Sea Link from Mahim flyover upto Toll Plaza Chainage 445 to 1481 Meters;
- Construction of Apron Flooring in connection with Construction of Air India Hangar Project, Mumbai; and
- Construction of Mumbai- Pune Expressway Part Kon to Kalamboli (Bypassing Pnvel Town) Package-I from 0/000 Km to 8/200 Km and Shedung Connector.

However, for the last three years the Company has not executed any projects with Prakash Construction & Engineering .

(*Amount in Lakhs*)

Particulars	March 31, 2006	March 31, 2005	March 31, 2004
Contract Receipts	NIL	NIL	495.74
Other Income	3.83	50.05	51.96
Net Profit	0.26	0.23	119.14
Capital	79.97	81.57	245.00

RELATED PARTY TRANSACTIONS

RELATED PARTY DISCLOSURES

A **List of related parties with whom transactions have taken place**

I **Key management personnel (Directors)**

Vijay Kumar Chopra
Gulshan V. Chopra
Asha V. Chopra

Ii **Relatives of Key Managerial personnel**

Kishan Kumar R. Chopra

iii **Entities & Associates**

Asha Trading Company
Prakash Construction Niraj Structural - JV

I. Key Management Personnel and their relatives	**Beneficieries Name**	**31-03-02**	**31-03-03**	**31-03-04**	**31-3-2005**	**31-03-2006**	**31/12/06**
Loans taken during the year	NCSL	-	236.35	-	0	132.73	21.56
Loans repaid during the year	NCSL	-	87.11	149.24	0	0	151.48
Unsecured Loan at Balance Sheet Date		2.69	151.93	2.69	2.69	135.42	5.50
Directors Remuneration	Directors	1.80	1.80	3.60	3.60	5.04	2.70
Salaries	Relative of Key Managerial Personnel	NIL	0.78	0.31	1.32	1.32	0.50
With related entities & associates							
Asha Trading Company:							
Paid for Materials	Asha Trading Company	19.87	20.19	25.53	27.87	1.28	2.35
Prakash Construction Niraj structurals JV:							
Contract Revenue	NCSL	543.05	509.92	245.68	-	-	-
Investment as on date of Balance Sheet	-	114.43	154.20	245.90	139.55	192.98	168.64
Transport Charges received from PCNS	NCSL	2.67	2.61	71.25	-	-	-
Share of Profit and Loss	NCSL	20.95	16.78	53.43	-	-	-

	Labour charges paid to NCS	NCSL	40.50	119.47	-	-	-	-
	Misc. Receipts to NCS	NCSL	13.18	-	-	-	-	-
	Sale of Asset to NCS	NCSL	0	36.18	51.21	0	0	0

CURRENCY OF PRESENTATION

In this Draft Red Herring Prospectus, all references to "Rupees" and "Rs." are to the legal currency of India.

In this draft Red Herring Prospectus, throughout all figures have been expressed in Lakhs. The word "Lakhs" or "Lacs" means "One hundred thousand".

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our financial statements prepared in accordance with Indian GAAP.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and the shareholders of the Company, in their discretion, and will depend on a number of factors, including but not limited to the profits, capital requirements and overall financial condition. The Company has not declared or distributed any dividend on Equity shares of the Company since incorporation.

SECTION VII - FINANCIAL INFORMATION OF THE COMPANY

FINANCIAL STATEMENTS

SUMMARY STATEMENTS OF ASSETS AND LIABILITIES AND PROFITS AND LOSSES FOR NINE MONTHS ENDED 31ST DECEMBER 2006 AND FOR THE YEARS ENDED MARCH 31, 2006, 2005, 2004, 2003, AND 2002 AND CASH FLOWS FOR NINE MONTHS ENDED DECEMBER 2006 AND FOR THE YEARS ENDED MARCH 31, 2006, 2005, 2004, 2003, AND 2002, AS RESTATED, OF NIRAJ CEMENT STRUCTURALS LIMITED

Auditors' report as required by Part II of Schedule II to the Companies Act, 1956

To
The Board of Directors,
Niraj Cement Structurals Ltd.
Sunder Baug,
Deonar
Mumbai 400 088

Dear Sirs,

We have examined the financial information of Niraj Cement Structurals Ltd. annexed to this report, for the purposes of inclusion in the Red Herring Prospectus ('the RHP'), which has been prepared in accordance with the requirements of:

a. paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');
b. the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ('the Guidelines') issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000, as amended from time to time, in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992; and
c. the terms of reference received from the Company, requesting us to carry out work, proposed to be included in the RHP of the Company in connection with its proposed Public Issue.
d. The Public Issue will be for a fresh issue by the Company of 32,50,000 equity shares of Rs. 10 each, at such premium, by way of book building process, as may be decided by the Board of Directors (referred to as 'the Issue). The Offer is being made through the 100 percent book-building scheme.
e. Financial information as per the audited financial statements :

- We have examined the attached restated summary statement of assets and liabilities of the Company as at DECEMBER 31ST 2006,March 31st 2006, March 31, 2005, 2004, 2003 and 2002, the attached restated summary statement of profits and losses for each of the period/years ended on those dates and the attached restated summary statement of cash flows for the nine months ended December 31st 2006 and the years ended March 31, 2006, 2005, 2004 and 2003 ('summary statements') (see Annexures 1, 2 and 3) as prepared by the Company and approved by the Board of Directors. These profits have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the notes appearing in Annexure 4 to this report.
- The summary statements as at and for the nine months ended December 31st 2006 , and as at and for the years ended March 31, 2006, 2005, 2004, 2003 and 2002, are based on the financial statements for those period/years, which have been solely audited and reported upon by us as their statutory auditors. We have done a limited review as of and for nine months ended December 31st 2006. Based on our examination of these summary statements, we confirm that
- the impacts of changes in accounting policies adopted by the Company as at and for the nine months ended December 2006 have been adjusted with retrospective effect in the attached summary statements;
- there are no extraordinary items, which need to be disclosed separately in the summary statements and
- there are no qualifications in the auditors' reports, which require any adjustments to the summary statements.

2. The summary of significant accounting policies adopted by the Company pertaining to the audited financial statements as at and for the nine months ended December 31st 2006 are enclosed as Annexure 5 to this report.

Other financial information

3. We have examined the following financial information of the Company proposed to be included in the RHP as approved by the Board of Directors and annexed to this report:

   - Details of rates of dividend as enclosed in Annexure 6;
   - Accounting ratios based on the restated profits relating to earnings per share (basic and diluted), net asset value and return on net worth as enclosed in Annexure 7;
   - Details of other income, as appearing in Annexure 8;
   - Details of unsecured loans, as appearing in Annexure 9;
   - Details of sundry debtors, as appearing in Annexure 10;
   - Details of secured loans, as appearing in Annexure 11;
   - Details of loans and advances, as appearing in Annexure 12;
   - Capitalisation statement as at nine months December 31st 2006 as enclosed in Annexure 13;
   - Statement of tax shelters as enclosed in Annexure 14
   - Details of related party transactions, as appearing in Annexure 15;
   - Details of contingent liabilities in Annexure 16 and
   - Statement of possible tax benefits available to the Company and its shareholders as enclosed in Annexure 17.
4. In our view, the 'Financial information as per the audited financial statements' and 'other financial information' mentioned above has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.
5. This report should not be in any way construed as a reassurance or redrafting of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.
6. This report is intended solely for your information and for inclusion in the RHP in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Ajay B Garg
Chartered Accountant

A Garg
Mem. No. 32538

Mumbai
30.03.2007

FINANCIAL STATEMENTS OF THE COMPANY AS RESTATED FOR THE YEARS ENDED MARCH 31, 2002, 2003, 2004, 2005 AND 2006 AND FOR THE PERIOD ENDED 31.12.2006

ANNEXURE -I

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Rs. in lakhs)

	For the Year/ Period Ended on					
	31-03-2002	**31-03-2003**	**31-03-2004**	**31-3-2005**	**31-03-2006**	**31-12-2006**
Revenue:						
a) Contract Receipts	17.08	1,251.58	2,929.02	3,072.29	6,953.38	5,397.23
b) Sales Precast	137.68	142.77	68.44	65.97	51.08	23.58
c) Contract Receipts-Joint Venture	543.06	509.92	245.68	-	-	-
Total	***797.82***	***1,904.27***	***3,243.13***	***3,138.26***	***7,004.46***	***5,420.81***
Other Income	79.76	44.90	42.75	19.02	35.11	44.03
Total (A)	**877.58**	**1,949.17**	**3,285.88**	**3,157.28**	**7,039.57**	**5,464.84**
Expenditure:						
Construction and operating expenses	97.30	1,004.62	2,194.70	2,342.13	5,573.93	4,514.82
Expenses-Joint Venture	522.10	493.14	192.25	-	-	-
Staff Costs	33.73	77.38	79.33	107.46	83.83	38.91
Selling, Administration & Other Expenses	63.60	112.23	195.39	232.18	202.36	114.89
Interest	51.25	166.63	217.37	130.79	206.97	131.03
Managerial Remuneration	1.80	1.80	3.60	3.60	5.04	2.70
Depreciation	40.18	74.45	119.82	117.42	111.07	119.28
Miscellaneous Expenditure Expenses W/off	0.05	0.05	0.05			
Total (B)	**810.01**	**1,930.30**	**3,002.51**	**2,933.58**	**6,183.20**	**4,921.63**
Net Profit Before Tax	**67.57**	**18.87**	**283.37**	**223.70**	**856.37**	**543.20**
Current Taxation	3.43	1.71	17.47	18.04	67.58	62.48
Deferred Tax	5.51	20.47	12.39	45.56	8.01	0.37
Fringe Benefit Tax					1.30	0.85
Previous Year Adjustments	(1.88)	-	-	-	-	-
Profit After Tax	**60.52**	**(3.31)**	**253.51**	**160.11**	**779.49**	**479.50**
Dividend Tax	-	-	-	-	-	-

Net Profit Before Extra-Ordinary items	**60.52**	**(3.31)**	**253.51**	**160.11**	**779.49**	**479.50**
write back of Prelim exp.	**0.14**	**-**	**-**	**-**	**-**	**-**
Extra-Ordinary items (Net of Tax)	-	-	-	-	-	-
Net Profit After Extra-Ordinary items	**60.66**	**(3.31)**	**253.51**	**160.11**	**779.49**	**479.50**

Note

1. Depreciation has been recalculated to confirm to Straight Line Metl

ANNEXURE-II:
SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in lakhs)

		As at					
		31-03-2002	**31-03-2003**	**31-03-2004**	**31-3-2005**	**31-03-2006**	**31-12-2006**
A	**Fixed Assets:**						
	Gross Block	534.53	1,945.96	2,347.09	2,465.36	2,271.78	2,295.87
	Less: Depreciation	43.54	117.99	237.82	355.24	466.32	585.60
	Net Block	*490.99*	*1,827.97*	*2,109.27*	*2,110.12*	*1,805.46*	*1,710.27*
	Less: Revaluation Reserve	-	-	-	-	-	-
	Total (A)	**490.99**	**1,827.97**	**2,109.27**	**2,110.12**	**1,805.46**	**1,710.27**
B	**Investments**						
	Investments in Joint Venture (B)	**114.43**	**154.20**	**245.90**	**139.55**	**192.99**	**168.64**
C	**Current Assets, Loans and Advances:**						
	Inventories	221.91	255.19	301.16	765.76	742.74	486.41
	Sundry Debtors	139.19	565.49	1,388.30	1,946.19	3,290.36	3,580.92
	Cash and Bank Balances	121.69	272.24	286.65	318.60	404.74	34.19
	Loans and Advances	240.63	215.13	307.59	545.13	1,145.35	1,571.00
	Total (C)	**723.42**	**1,308.05**	**2,283.70**	**3,575.68**	**5,583.19**	**5,672.52**
D	**Liabilities & Provisions:**						
	Secured Loans	477.85	1,616.23	1,211.21	1,359.32	1,166.60	1,482.52
	Unsecured Loans	28.90	1,043.18	1,644.31	1,997.60	2,549.14	1,198.02

	Deferred Tax Liability	11.02	31.48	43.87	89.43	97.44	97.81
	Current Liabilities and Provisions	559.42	350.94	692.54	1,171.95	968.19	510.43
	Total (D)	**1,077.18**	**3,041.83**	**3,591.93**	**4,618.30**	**4,781.37**	**3,288.78**
E	**Net Worth (A)+(B)+(C)-(D)**	251.65	248.39	1,046.94	1,207.05	2,800.27	4,262.64
F	**Represented by**						
1	**Share Capital**	124.23	124.23	149.23	149.23	500.00	709.28
2	**Share Application Money**	25.00	25.00	545.00	545.00	1,007.97	-
3	**Reserves & Surplus**	102.52	99.21	352.72	512.82	1,292.31	3,553.36
	Less: Revaluation Reserve	-	-	-	-	-	-
	Less : Misc. Expenses	0.09	0.05	-	-	-	-
	Reserves (Net of Revaluation Reserves)	102.43	99.16	352.72	512.82	1,292.31	3,553.36
	Net worth (excluding revaluation reserve) (1+2+3)	**251.66**	**248.39**	**1,046.95**	**1,207.05**	**2,800.27**	**4,262.64**

ANNEXURE: III

SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED

(Rs. in Lakhs)

		For the Year/ Period Ended on					
	-	**31-03-2002**	**31-03-2003**	**31-03-2004**	**31-3-2005**	**31-03-2006**	**31-12-2006**
	A .Cash Flow arising from Operating Activities						
	(I) Net Profit Before Tax & Extra Ordinary Items	**67.57**	**18.87**	**283.37**	**223.70**	**856.37**	**543.20**
	Add back						
	Depreciation	40.18	74.45	119.82	117.42	111.07	119.28
	Prior Period Adjustment	1.88	-	-	-	-	-
	Intersest Income	3.93	16.74	17.25	18.29	22.77	16.74
	Interest Expenses	51.25	166.63	217.37	130.79	206.97	131.03
	(II) Total	**97.24**	**257.82**	**354.44**	**266.50**	**340.81**	**267.05**

	Operating Profit before Working Capital Changes (I) + (II)	**164.81**	**276.69**	**637.81**	**490.20**	**1,197.18**	**810.26**
	Adjustment for						
	Inventories	(221.91)	(33.28)	(45.97)	(464.60)	23.02	256.33
	Trade and Other Receivable	(379.82)	(400.80)	(915.27)	(795.43)	(1,944.39)	(716.21)
	Trade Payable and other Liabilities	559.42	(208.48)	341.60	479.41	(203.76)	(457.76)
	Income Tax Paid	(3.43)	(1.71)	(17.47)	(18.04)	(67.58)	(62.48)
	Dividend Tax paid	-	-	-	-	-	-
	Total	**(45.74)**	**(644.27)**	**(637.11)**	**(798.66)**	**(2,192.71)**	**(980.11)**
	Cash Generated from Operations	**119.07**	**(367.57)**	**0.70**	**(308.46)**	**(995.53)**	**(169.86)**
	Interest Received	(3.93)	(16.74)	(17.25)	(18.29)	(22.77)	(16.74)
	Net cash from Operating activities	**115.14**	**(384.31)**	**(16.55)**	**(326.75)**	**(1,018.30)**	**(186.60)**
	B. Cash flow from Investing activities						
	Purchase on fixed assets (including CWIP)	(534.53)	(1,411.43)	(401.13)	(118.27)	193.58	(24.09)
	Purchase of Investments	-	-	-	-	-	-
	Net Cash from Investing Activities	**(534.53)**	**(1,411.43)**	**(401.13)**	**(118.27)**	**193.58**	**(24.09)**
	C. Cash Flow from Financing Activities						
	Interest Paid	(51.25)	(166.63)	(217.37)	(130.79)	(206.97)	(131.03)
	Proceeds from Long Term Borrowings	506.75	2,152.66	196.11	501.40	358.82	(1,035.20)
	Dividend Paid	-	-	-	-	-	-
	Net Cash (used in) / from Financing Activities	**455.50**	**1,986.03**	**(21.26)**	**370.61**	**151.85**	**(1,166.23)**
	Net Increase /(Decrease) in Cash and Cash Equivalents	119.31	150.55	14.41	31.95	86.14	(370.55)
	Cash (Opening balances)	2.38	121.69	272.24	286.65	318.60	404.74
	Cash (Closing balances)	121.69	272.24	286.65	318.60	404.74	34.19

Annexure IV : Notes on adjustments for restated financial statements

A. Adjustments resulting from changes in the Accounting policies

1. Deferred Taxes

The Company has adopted Accounting Standard (AS) – 22, “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India (‘the ICAI’) for the first time in preparation of the financial statements for the year ended March 31, 2003. Accordingly, for the purpose of this statement, the deferred tax asset/liability has been recognized in the respective years of origination with a corresponding effect to the summary statement of profits and losses, as restated, with a corresponding adjustment to general reserve as at March 31, 2003.

B. Other adjustments

1. **On the basis of information available and provided by its suppliers** the company has no outstanding dues to any small scale undertakings as on 31st December 2006.

Annexure 5: Significant Accounting Policies

1. Statement of Significant Accounting Polices

a. Basis of accounting : The accounts of company are prepared under historical cost convention and in accordance with applicable accounting standards except where otherwise stated. Accounting policies not specifically referred to are consistent with generally accepted accounting practices. Revenue / Income and Costs and Expenditure are generally accounted on accrual basis , as they are earned or incurred.

b. Fixed Assets and Depreciation :

i. All the fixed assets purchased are stated at cost of acquisition except in case of those assets which are revalued.

ii. Depreciation : Depreciation of other assets is provided on "Straight line Method ” , at the rates prescribed by Schedule XIV to the Companies Act, 1956.

c. Sundry Debtors/Loans and Advances : are stated net of provision for identified doubtful debts/advances.

d. Valuation of work in progress : The work in progress has been determined by the Management at the estimated realizable cost.

e. Revenue Recognition : In respect of Construction contracts, revenue is recognized on Percentage completion method based on the Bills submitted, certified and sanctioned by the appropriate authorities. The relevant cost is recognized in accounts in the year of recognition of the revenue. The total costs of contract are estimated, based on technical and other estimates.

f. Borrowing cost : Borrowing cost are accounted on accrual basis.

g. Contract Receipts - Joint venture : Proportionate Consolidation method of accounting and reporting is followed in respect of Joint venture entered into by the Company.

h. Retirement Benefits : The retirement benefit in the form of Provident Fund and Pension Schemes, whether in pursuance of any law or otherwise, is accounted on accrual basis and charged to the profit and loss account of the year,.

ANNEXURE: VI
STATEMENT OF DETAILS OF DIVIDEND

	For the Year/ Period Ended on					
	31-03-02	**31-03-03**	**31-03-04**	**31-3-2005**	**31-03-2006**	**31/12/2006**
On Equity Shares						
No. of Equty Shares of Rs. 10 each	1,242,300	1,242,300	1,492,300	1,492,300	5,000,000	7,092,800
Rate %	0%	0%	0%	0%	0%	0%
Amount of Dividend (Rs .in lakhs)	-	-	-	-	-	-
Dividend Tax(Rs. in lakhs)	-	-	-	-	-	-
Total Pay out (Rs. in lakhs)	-	-	-	-	-	-

ANNEXURE: VII

STATEMENT OF ACCOUNTING RATIOS

		For the Year/ Period Ended on					
	Particulars	**31-03-2002**	**31-03-2003**	**31-03-2004**	**31-3-2005**	**31-03-2006**	**31-12-2006**
	Face Value Per Share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
	EPS Basic (Rs.) Basic & Diluted	4.87	(0.27)	19.43	10.73	16.56	9.40
	Return on Networth (RONW) (%)	24.05%	-1.33%	50.51%	24.18%	43.49%	11.25%
	Net Worth (Rs. in Lakhs)	251.66	248.39	501.95	662.05	1,792.31	4,262.64
	Net Worth excluding Share Application Money	226.66	223.39	501.95	662.05	1,792.31	4,262.64
	Net Asset Value Per Share (NAV) -Rs.	18.24	17.98	38.47	44.36	38.07	62.67
	Weighted Average No. of Shares	1,242,300	1,242,300	1,304,800	1,492,300	4,707,692	6,801,817

Note:

1. Earning per share represents earning per share calculated on the basis of Adjusted profit divided by the weighted number of equity shares (Basic /Diluted) as at the end of year
2. Return on Net worth as a percentage represents Adjusted profit after tax divided by Net worth at the end of each financial year
3. Net Asset value has been computed on the basis of Net Equity Method (Net worth at the end of each financial year divided by the weighted average number of equity shares at the end of each financial year.
4. Profit and loss as restated has been considered for the purpose of computing the above ratios.

ANNEXURE: VIII

CAPITALISATION STATEMENT

Rs. in Lakhs

	Particulars	Pre Issue 30-03-2007	Post issue
	Secured Loans	1,482.52	*
	Unsecured Loans	1,198.02	*
	Total Debt	2,680.54	*
	Less :Short term debt	-	
	Total Long Term Debt	**2,680.54**	*
	Shareholders funds		
	Share Capital	709.28	*
	Reserve & Surplus	3,553.36	*
	Total Shareholders Funds	**4,262.64**	*
	Long term Debt / Equity Ratio	**0.63**	*

Note : *Figures for post issue would be calculated only on the conclusion of the book building process.

ANNEXURE: IX
TAX SHELTER STATEMENT

Rs. in Lakhs

		For the Year/ Period Ended on				
		31-03-02	**31-03-03**	**31-03-04**	**31-3-2005**	**31-03-2006**
	Tax Rate (including Surcharge &Cess)	36.75%	35.88%	36.59%	36.59%	36.59%
	Profit as per Profit & Loss Account	67.57	18.87	283.37	223.70	856.37
	Tax at Notional Rate	24.83	6.77	103.69	81.85	313.35
	Adjustments	-	-	-	-	-
	Diff. between Tax depreciation and Book Depreciation	60.40	345.80	389.02	262.76	16.06
	Net Adjustment	22.20	124.07	142.34	96.14	5.88
	Tax Saving thereon	(2.64)	117.30	38.66	14.29	(307.47)
	Taxable Income as per MAT	44.76	4.98	227.22	230.12	861.88
	Tax as per returned Income	3.42	0.38	17.47	18.04	72.53

Note : The infromation pertaining to the years March 2002 to 2006 are as per the return of income filed by the company.

ANNEXURE: X
DETAILS OF OTHER INCOME

Rs. in Lakhs

		For the Year/ Period Ended on					
		31-03-02	**31-03-03**	**31-03-04**	**31-3-2005**	**31-03-2006**	**31/12/2006**
	Recurring and Related to Business						
	Miscellaneous Income	1.18	6.06	11.63	0.73	5.60	4.66
	Hire Charges Received	74.65	22.10	13.87	-	6.75	22.62
	Interest received	3.93	16.74	17.25	18.29	22.77	16.74
	Total	**79.76**	**44.90**	**42.75**	**19.02**	**35.11**	**44.02**

ANNEXURE: XI

SUNDRY DEBTORS (UNSECURED)

Rs. in Lakhs

		For the Year/ Period Ended on					
	Partiulars	**31-03-02**	**31-03-03**	**31-03-04**	**31-3-2005**	**31-03-2006**	**31/12/2006**
	Over six Months	111.54	540.89	1,003.79	1,034.85	1,999.46	1,882.15
	Other Debts	27.65	23.60	384.51	911.34	1,290.90	1,698.77
		139.19	***564.49***	***1,388.30***	***1,946.19***	***3,290.36***	***3,580.92***
	Less - Provision for Doutful Debts	-	-	-	-	-	-
	Total	**139.19**	**564.49**	**1,388.30**	**1,946.19**	**3,290.36**	**3,580.92**

Note :
1. No debts are due from related parties.

ANNEXURE: XII
LOANS AND ADVANCES

Rs. in Lakhs

		For the Year/ Period Ended on					
		31-03-02	**31-03-03**	**31-03-04**	**31-3-2005**	**31-03-2006**	**31/12/2006**
	Advances recoverable in cash or in kind or of for value to be received (Unsecured considered Good)						
	Advances to Sub contractors	234.88	150.84	78.34	346.936	620.77	889.80
	Deposits	2.50	2.62	6.12	17.366	284.89	449.35
	Staff Advances	0.25	0.15	2.81	4.746	5.69	3.55
	Retention Money	-	56.87	199.98	171.43	209.48	209.49
	Other Misc. Advances	3.00	4.65	20.34	4.65	22.15	18.76
		240.63	**215.13**	**307.59**	**545.13**	**1,142.98**	**1,570.95**

Note : No advances are paid to related parties.

ANNEXURE: XIII
STATEMENT OF UNSECURED LOANS

Rs. in Lakhs

	For the Year/ Period Ended on					
Particulars	**31-03-02**	**31-03-03**	**31-03-04**	**31-3-2005**	**31-03-2006**	**31/12/2006**
- From Directors	0.66	87.03	159.70	129.01	272.50	5.50
- From Share Holders	28.24	29.28	31.50	30.71	33.45	2.24
- From Others	-	151.93	186.40	295.95	436.75	104.74
- Mobilisation Advances	-	774.94	1,266.71	1,541.92	1,806.44	1,085.54
Total	**28.90**	**1,043.18**	**1,644.31**	**1,997.59**	**2,549.14**	**1,198.02**

Note :

1. The Unsecured loans from shareholders, Directors are non interest bearing funds and are repayable on demand
2. Mobilisation advances are received from the Principal and deducted at a predetermined percentage on achieving of a pre specified benchmark.

ANNEXURE: XIV
Statement of Secured Loans

Rs. in Lakhs

		For the Year/ Period Ended on					
	Particulars	**31-03-02**	**31-03-03**	**31-03-04**	**31-3-2005**	**31-03-2006**	**31/12/2006**
	Term Loans						
	From various Financial Institutions for Acquisition of Fixed Assets	465.44	1,501.18	1,114.90	869.78	665.09	485.44
	Working Capital Loans						
	Canara Bank	12.41	115.05	96.31	489.54	501.51	361.62
	IDBI						635.45
		477.85	1,616.23	1,211.21	1,359.32	1,166.59	1,482.51

Note

1. Equipment finance loans are secured by way of hypothecation of equipments financed.
2. Working Capital Loans are secured by hypothecation of receivables and work in progress and guaranteed by the Chariman, Managing Director and Mrs Asha Chopra and EMT of preoperties.

1. The company has credit limits from Canara Bank for its working capital.

Rs.in Lakhs

	Nature of Borrowing	Type of Loan	Sanctioned Amount	Outstanding amount as on 31ST,DEC. 2006	Repayment Schedule	Rate of Interest	Security
	Canara Bank	Cash Credit	443.00	388.00		14.75%	Hypothecation of stocks and other current assetsof the company . Also secured by way of EMT of premises at Navi Mumbai and Chembur and personal guarantee of the Chairman and Managing Director and Mrs Asha Chopra and M/s Asha Trading Co.
	IDBI BANK	Cash Credit	750.00	609.00		12.50%	Parri passu charge with Canara Bank on Fixed and current assets of the company
	Canara Bank	Term Loan	100.00	60.00	Repayable in 20 quarterly instalments beginning October 2004	13%	Hypothecation of Machinery and continuing liability of working capital loan
	Canara Bank	Demand Promissory loan	150.00	83.00	31-Mar-07	14.75%	Comfort letter of Larsen and Toubro Limited and continuing liability of working capital loan
	ICICI Bank	Hire purchase equipment finance	171.00	60.02	Repayable in 36 monthly instalments beginning Sept 2004	9.00%	Hypothecation of various Machinery and equipments
	SREI Infrastructure Limited	Hire purchase equipment finance	163.00	41.28	Repayable in 54 monthly instalments beginning March 2003	12.00%	Hypothecation of various Machinery and equipments
	Indusind Bank	Hire purchase equipment finance	1,250.00	374.00	Repayable in 36 monthly instalments beginning June 2003	12.00%	Hypothecation of various Machinery and equipments

ANNEXURE: XV

RELATED PARTY DISCLOSURES

a **List of related parties with whom transactions have taken place**

i **Key management personnel (Directors)**

Vijay Kumar Chopra
Gulshan V. Chopra
Asha V. Chopra

ii **Relatives of Key Managerial personnel**

Kishan Kumar R. Chopra

iii **Entities & Associates**

Asha Trading Company
Prakash Construction Niraj Structurals – JV

			For the Year/ Period Ended on					
I. Key Management Personnel and their relatives		**Beneficieries Name**	**31-03-02**	**31-03-03**	**31-03-04**	**31-3-2005**	**31-03-2006**	**31/12/06**
	Loans taken during the year	NCSL	-	236.35	-	0	132.73	21.56
	Loans repaid during the year	NCSL	-	87.11	149.24	0	0	151.48
	Unsecured Loan at Balance Sheet Date		2.69	151.93	2.69	2.69	135.42	5.50
	Directors Remuneration	Directors	1.80	1.80	3.60	3.60	5.04	2.70
	Salaries	Relative of Key Managerial Personnel	NIL	0.78	0.31	1.32	1.32	0.50
With related entities & associates								
	Asha Trading Company:							
	Paid for Materials	Asha Trading Company	19.87	20.19	25.53	27.87	1.28	2.35
	Prakash Construction Niraj structurals JV:							
	Contract Revenue	NCSL	543.05	509.92	245.68	-	-	-
	Investment as on date of Balance Sheet	-	114.43	154.20	245.90	139.55	192.98	168.64
	Transport Charges received from PCNS	NCSL	2.67	2.61	71.25	-	-	-
	Share of Profit and Loss	NCSL	20.95	16.78	53.43	-	-	-

	Labour charges paid to NCS	NCSL	40.50	119.47	-	-	-	-
	Misc. Receipts to NCS	NCSL	13.18	-	-	-	-	-
	Sale of Asset to NCS	NCSL	0	36.18	51.21	0	0	0

Contingent Liability not provided for

		For the Year/ Period Ended on					
		31-03-02	**31-03-03**	**31-03-04**	**31-3-2005**	**31-03-2006**	**31/12/06**
	Bank guarantee issued by the Banks on behalf of the Company	630.75	1,256.92	1,692.16	1,956.44	1,956.44	1,926.56
	Corporate guarantee issued by the company on behalf of its associates	-	-	-	-	30.00	30.00
	Claims against company not acknowledged as debts (As certified by the Management)	-	-	-	-	-	-
	Total	**630.75**	**1,256.92**	**1,692.16**	**1,956.44**	**1,986.44**	**1,956.56**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS REFLECTED IN THE FINANACIAL STATEMENT

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page ix of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards referred to in Section 211(3C) of the Companies Act and the other applicable legal provisions. The following discussion is also based on internally prepared statistical information and on publicly available information. Our Fiscal year ends on March 31, so all references to a particular Fiscal year are to the twelve-month period ended March 31. Certain industry, technical and financial terms used in this discussion shall have the meanings ascribed to them in the section entitled "Definitions and Abbreviations" beginning on page ii of this Red Herring Prospectus.

Overview

The company is engaged in execution of Infrastructure and civil construction projects. The segment in which the company is operating is the major thrust area of Economy. Having realised the requirement and need for a rapid growth in the country the overall emphasis is on the Private Public participation for the development and provision of the infrastructure facilities. We have over the years executed some of the prestigious projects in Infrastructure sector.

Our project expertise includes:

Civil construction projects, which include structures such as roads, bridges, pavements, industrial structures, airport runways, and other misc. structures.

The company is operating from Mumbai and at present executing project in Orissa and Maharashtra

The company has achieved substantial growth in terms of operations and the business. Since the Promoters started our business over three decades ago, they have steered the company to position of strength and have acquired significant expertise in civil construction, having executed a diverse portfolio of urban and rural civil construction projects.

The company is having a work force of 110 full time employees. The company is also having state of art and sophisticated construction equipment and machineries, including a slip form concrete paver and high capacity concrete batching plants, Block making plants.

<u>Order on Hand</u>

The Major Projects currently under execution:
At present, the company has an order book position of Rs.15717 Lacs of construction. We are currently executing the following projects:

Name of the contract, Location and Nature of the work	Name and Address of Client	Contract Value and Stipulated Period of completion	Value of work done	Estimated Completion Date
Widening to 4/6 lanes and strengthening of existing 2 lane carriageway of NH-60 in the state of Orissa from 31.000 Km. t0 53.410 Km. Contract Package IV	National Highways Authority of India Main Contractor Larsen & Toubro Ltd. ECC Division Headquaters office at Mount Poonamallee Road,	Rs. 83.79 Crores 24 Months	Rs 76.00 Crores	**30/06/2007**

Name of the contract, Location and Nature of the work	Name and Address of Client	Contract Value and Stipulated Period of completion	Value of work done	Estimated Completion Date
	Manapakkam, Chennai – 89			
Widening and construction of LBS Marg from Sion to Kanjurmarg (Km 0.00 to 11.156)	Mumbai Metropolitan Region Development Authority (MMRDA) Bandra – Kurla Complex, Bandra (E), Mumbai–51 Main Contractor Ashoka Buildcon Ltd – Nashik	Rs. 32.27 Crores 12 Months	Rs. 25.00 Crores	**30/06/2007**
Widening and construction of LBS Marg from Kanjurmarg to Mulund Check Naka (Km 11.156 to Km. 18.831)	Mumbai Metropolitan Region Development Authority (MMRDA) Bandra – Kurla Complex, Bandra (E), Mumbai–51 Main Contractor Ashoka Buildcon Ltd – Nashik	Rs. 22.59 Crores 12 Months	Rs. 20.00 Crores	**30/06/2007**
Providing Paver Block at main gate, KK gate and Seamen's circle junction in the wharf area	Client New Mangalore Port Trust **Contractor** Niraj Cement Structurals Ltd.	1.73 crores	Bill under preparation	**16/08/2007**
Development work as back-up requirement to Deep draft Multipurpose Berth at NMPT	**Client** New Mangalore Port Trust **Contractor** Niraj Cement Structurals Ltd.	5.17 crores	Bill under preparation	26/11/2007
Providing Heavy Duty Pavement behind Berth No.5 to Berth No.7	**Client** New Mangalore Port Trust **Contractor** Niraj Cement Structurals Ltd.	5.89 crores	Bill under preparation	17/11/2007
Strengthening and Extension of Container Yard at NMPT with Paver Blocks	**Client** New Mangalore Port Trust **Contractor** Niraj Cement Structurals Ltd.	5.73 crores	Bill under preparation	23/07/2007

The Projects in pipeline

Name of the contract, Location and Nature of the work	Expectation of Bid Opening	Name of Client & Principal Contractor	Contract Value	Stipulated Period of completion
Improvement such as providing two lanes rigid pavement carriageway with paved shoulders of 1.5m on both sides with reconstruction / rehabilitation / widening of CD works to Cuttack – Paradeep road (SH-12) from 0/000 to 43/000 Km	Expected dated of receiving LOI by 20th April 2007	**Client** Orissa Work Govt. Dept. **Main Contractor** Niraj – ARSS (Joint Venture)	**Rs. 112 Crores**	24 Months
Improvement such as providing two lanes rigid pavement carriageway	Expected dated of	**Client** Orissa Work Govt.	**Rs. 113 Crores**	24 Months

with paved shoulders of 1.5m on both sides with reconstruction / rehabilitation / widening of CD works to Cuttack – Paradeep road (SH-12) from 43/000 Km to Km 82.000	receiving LOI by 20th April 2007	Dept. **Main Contractor** Niraj – ARSS (Joint Venture)		

Factors affecting results of operations

The financial condition and results of operations of the company are affected by numerous factors internal as well as external, and the following are some of the key factors :

Overall Performance of the economy . The Company focuses principally on projects in civil construction and infrastructure development. The performance and growth of the economy and the budgetary allocation for infrastructure and the support of government in encouraging the development of comprehensive infrastructure policy leads to more opportunities being available in the domain.

The Public Private partnership have resulted in boldening the development of large value projects in Infrastructure .

Major projects are now on Built Own and Operate Model and that justifies availability of new proposals to the company.

External Factors. : Competitive bidding : The basic model of any infrastructure project is the process of competitive bidding. The Company has to compete with a host of established players in the field to obtain a project. The ability to execute a project irrespective of the geographical boundaries in India gives the company a edge to bid for and execute a Project.

Pre-qualification and execution of projects of a specific value in past is one of the factors to bid for a projects.

The company is currently qualified to bid for projects up to certain contract values depending on the project sponsor. To bid for some higher value contracts, the company forms strategic alliances or joint ventures with other experienced and qualified companies.

Cost of Labour and other inputs.: The project cost generally comprises of Cement Steel, Aggregates, Labour, Equipments and Finance. Though there is a mechanism to compensate the Contractor for any price increase the same is generally just about sufficient to cover the increased cost of the input. Generally care is taken to built in buffer for any normal increase in the cost of inputs, however any abnormal increase would affect the bottom line of the project. The same is universally applicable to all industries.

Human resources turnover : The operation of company entails deployment of significant skilled and semi skilled employees. The organized infrastructure industry is in a nascent stage. Though equipments are also deployed to reduce the impact of the labour force. “Poaching” of skilled and experienced manpower may adversely affect the execution of the project.

Impact of weather conditions. The execution of project is generally affected during the months of monsoon. Any other natural calamity in the region of execution also may materially and adversely affect the project. The delay during such period though does not invoke any penalties but affects the profitability due to deployment of Equipments and manpower.

Accounting Policies

The Company maintains its accounts on an accrual basis and in accordance with the accounting standards referred to in Section 211(3c) and other provisions of the Companies Act. The Company seeks to apply its accounting policies consistently from period to period.

Basis of accounting : The accounts of company are prepared under historical cost convention and in accordance with applicable accounting standards except where otherwise stated. Accounting policies not specifically referred to are consistent with generally accepted accounting practices. Revenue / Income and Costs and Expenditure are generally accounted on accrual basis , as they are earned or incurred.

Fixed Assets and Depreciation : All the fixed assets purchased are stated at cost of acquisition. No assets are revalued.

Depreciation : Depreciation of other assets is provided on "Straight line Method " , at the rates prescribed by Schedule XIV to the Companies Act, 1956.

Sundry Debtors/Loans and Advances : are stated net of provision for identified doubtful debts/advances.

Valuation of work in progress : The work in progress has been determined by the Management at the estimated realizable cost.

Revenue Recognition : In respect of Construction contracts, revenue is recognized on Percentage completion method based on the Bills submitted, certified and sanctioned by the appropriate authorities. The relevant cost is recognized in accounts in the year of recognition of the revenue. The total costs of contract are estimated, based on technical and other estimates.

Borrowing cost : Borrowing cost are accounted on accrual basis.

Contract Receipts - Joint venture : Proportionate Consolidation method of accounting and reporting is followed in respect of Joint venture entered into by the Company.

Retirement Benefits : The retirement benefit in the form of Provident Fund and Pension Schemes, whether in pursuance of any law or otherwise, is accounted on accrual basis and charged to the profit and loss account of the year.

Taxes on Income. Tax expense / (Tax saving) is the aggregate of current year tax and deferred tax charged (or credited) to the profit and loss account for the year:

Current tax is the provision made for income tax liability on the profits for the year in accordance with applicable Indian tax laws.

Where there is unabsorbed depreciation or carry-forward losses, deferred tax assets are recognized only to the extent that there is virtual certainty of realization of such assets and, in other cases, to the extent that there is reasonable certainty of their realization in the future.

Revenues

Our revenues, referred to in our financial statements as total income, consist principally of

(i) Income from Contract and
(ii) Other income.
(iii) Sale of Structural products

Our operating income consists of contract revenue from procurement and construction services provided to our clients and our share of profits from our joint ventures. Included in contract revenue are amounts received by us pursuant to sub-contracts that we have entered into with joint ventures to which we are a party included in our share of profits from joint ventures are only those amounts that we receive as a part participant in the net profits of our joint ventures.

We have other additional sources of income, such as

(i) Interest on fixed deposits,
(ii) Transport charges received
(iii) Hire charges received and
(iv) Miscellaneous income .

Our total expenditures consist principally of our operating expenses, administrative expenses and other expenses.

Operating expenses consist of (i) raw materials consumed, (ii) labour charges and (iii) sub-contracting charges. Raw materials consumed include construction materials used in our projects such as steel, cement, electrical items and other materials, net of adjustments of opening and closing stock of raw materials. Labour charges include amounts paid for the provision of contract labour. Sub-contracting charges include charges paid to sub-contractors to whom we have contracted a part of our project responsibilities, including the materials and the labour elements associated with the sub-contracted portion of the project.

Administrative expenses consist of personnel expenses (including salaries, wages and bonus payments to employees on our payroll, contributions made to provident funds and employees' state insurance and expenses relating to personnel and staff welfare) and general administrative expenses (including site expenses incurred for the execution of projects, diesel and fuel costs, repair and maintenance costs of our equipment and facilities, freight and cartage costs, rent paid for facilities, hire charges paid for the hire of equipment from third parties, insurance charges, travelling and conveyance charges, fees and taxes paid, consultancy and professional charges paid, auditor's remuneration and other miscellaneous administrative expenses).

Other expenses include depreciation, finance charges and preliminary expenditure written off.

Finance charges include (i) interest payable on term loans and working capital loans and interest payable on vehicle and equipment financing by banks and financial institutions, (ii) interest payable on mobilization advances and other advances received from clients and (iii) charges payable on letters of credit and bank guarantees and other miscellaneous bank charges.

Results Of Operations:

Our Income and Expenditure on specific projects and the results of operations may vary from period to period depending on the geographical location and the working environment and nature of projects undertaken by us. The other factors, which also have a bearing on the results of operations, is the completion schedule, nature of work involved and project centric specifications. The following table sets forth certain information with respect to our results of operations for the period indicated:

(Rs. Lakhs)

	For the Year/ Period Ended on					
	31-03-02	31-03-03	31-03-04	31-3-2005	31-03-2006	31/12/06
Revenue:						
a) Contract Receipts	117.08	1,251.58	2,929.02	3,072.29	6,953.38	5,397.23
b) Sales Precast	137.68	142.77	68.44	65.97	51.08	23.58
c) Contract Receipts-Joint Venture	543.06	509.92	245.68	-	-	-
Total	*797.82*	*1,904.27*	*3,243.13*	*3,138.26*	*7,004.46*	*5,420.81*
Other Income	79.76	44.90	42.75	19.02	35.11	44.03
Total (A)	877.58	1,949.17	3,285.88	3,157.28	7,039.57	5,464.84
Expenditure:						
Construction and operating expenses	97.30	1,004.62	2,194.70	2,342.13	5,573.93	4,514.82
Expenses-Joint Venture	522.10	493.14	192.25	-	-	-
Staff Costs	33.73	77.38	79.33	107.46	83.83	38.91
Selling, Administration & Other Expenses	63.60	112.23	195.39	232.18	202.36	114.89
Interest	51.25	166.63	217.37	130.79	206.97	131.03
Managerial Remuneration	1.80	1.80	3.60	3.60	5.04	2.70
Depreciation	40.18	74.45	119.82	117.42	111.07	119.28
Miscellaneous Expenditure Expenses W/off	0.05	0.05	0.05			
Total (B)	810.01	1,930.30	3,002.51	2,933.58	6,183.20	4,921.63
Net Profit Before Tax	67.57	18.87	283.37	223.70	856.37	543.20
Current Taxation	3.43	1.71	17.47	18.04	67.58	62.48
Deferred Tax	5.51	20.47	12.39	45.56	8.01	0.37
Fringe Benefit Tax					1.30	0.85

Previous Year Adjustments	(1.88)	-	-	-	-	-
Profit After Tax	60.52	(3.31)	253.51	160.11	779.49	479.50
Dividend Tax	-	-	-	-	-	-
Net Profit Before Extra-Ordinary items	60.52	(3.31)	253.51	160.11	779.49	479.50
write back of Prelim exp.	0.14	-	-	-	-	-
Extra-Ordinary items (Net of Tax)	-	-	-	-	-	-
Net Profit After Extra-Ordinary items	60.66	(3.31)	253.51	160.11	779.49	479.50

Note1. Depreciation has been recalculated to confirm to Straight Line Method

Nine months ended 31st December 2006

Our operations in the Nine months ended 31st December 2006 can be attributed to the following factors :

Total Revenue

We recorded a total revenue of 5464.84 lakhs in the nine month ended 31st December 2006, comprising of Rs. 5420.81 Lakhs of contract revenue and Rs. 44.03 lakhs of other income.

Income from operations

Our total income in nine month ended 31st December 2006, from operations is Rs. 5397.23 lakhs and Rs. 23.58 lakhs as sales of Precasts during the same period.

Other Income

Our other income in nine month ended 31st December 2006, of Rs. 44.03 lakhs includes among other Machinery hire charges received of Rs. 22.62 lakhs and interest of Rs.16.74 lakhs.

Expenditure

Our total expenditure in nine month ended 31st December 2006, amounts to Rs. 4921.63 lakhs.

Construction Expenses

We have incurred expenditure on Construction and other operating expenses amounting to Rs. 4514.82 lakhs.

Employees Cost

In nine month ended 31st December 2006, we have incurred Personnel expenses of Rs. 38.91 lakhs including Salaries, wages, gratuity and bonus.

Profit before Tax

For reasons discussed above our profit before tax was Rs. 543.20 lakhs for the nine months ended 31.12.2006.

Provision for Taxes

Provision for tax was Rs. 62.48 lakhs, as Income tax, Deferred tax was Rs. 0.37 lakhs and Fringe benefit tax was Rs. 0.85 lakhs.

Profit after Taxes

Profit after tax was Rs. 479.50 lakhs for the period ended 31st December 2006

Year ended March 31st 2006 compared to year ended March 31 2005

Our operations in the year ended 31st March 2005 and 2006 can be attributed to the following factors:

Total Revenue

Our total revenue increased by 104.42% from Rs. 3138.26 lakhs in the year ended March 31, 2005 to Rs. 7039.57 lakhs in the year ended March 31, 2006, primarily due to increased construction activity.

Income from operations

Our income from operations increased by 126.32% from Rs. 3072.29 lakhs in the year ended March 31, 2005 to Rs. 6953.38 lakhs in the year ended March 31, 2006, primarily due to increased construction activity.

Other operating Income

Our income from sale of precast decreased to Rs. 51.08 lakhs in the year ended on 31st March 2006 from Rs. 65.97 lakhs in the year ended March 31, 2005. The decrease in sales is primarily attributed to the fact that the company has been concentrating on execution of projects.

Other Income

Our other income increased from Rs. 19.02 lakhs in the year ended 31st March 2005 to Rs. 35.11 lakhs in the year ended 31st March 2006. The increase can be attributed to increase in the interest received of Rs.22.76 lakhs from Rs. 18.29 lakhs and Machinery hire charges of Rs. 6.75 lakhs.

Expenditure

Our total expenditure increased by 110.74% from Rs. 2934.51 lakhs in the year ended March 31, 2005 to Rs. 6184.08 lakhs in the year ended March 31, 2006, primarily due to corresponding increase in construction activity.

Construction Expenses

Our Construction expenditure increased by 137.99% from Rs. 2342.13 lakhs in the year ended March 31, 2005 to Rs. 5573.93 lakhs in the year ended March 31, 2006, primarily due to corresponding increase in construction activity.

Employees Cost

Our Staff expenditure decreased by 23.63% from Rs. 107.46 lakhs in the year ended March 31, 2005 to Rs. 83.83 lakhs in the year ended March 31, 2006, primarily due to rationalization and reorganisation of staff contract.

Other Expenses

Our Other expenditure decreased by 29.82 % from Rs. 232.18 lakhs in the year ended March 31, 2005 to Rs. 202.36 lakhs in the year ended March 31, 2006, primarily due to reduction in bank charges from Rs. 102.59 lakhs in 2005 to Rs. 38.14 lakhs in 2006, reduction in professional charges from 32.68 lakhs in 2005 to Rs. 28.20 lakhs in 2006, reduction in vehicle hire and maintenance from Rs. 30.32 lakhs in 2005 to Rs. 16.77 lakhs in 2006 and overall strict expenditure control.

EBIDTA

Our earning before providing depreciation and interest was 1174.41 lakhs and the EBIDTA Margin was 16.68%.

Interest Cost

Our Interest cost increased by 58.24 % from Rs. 130.79 lakhs to Rs. 206.97 lakhs in 2006. The increase was due to increase in working capital and term loan from Bank and Financial institution.

Depreciation

Our depreciation cost was Rs. 111.07 lakhs during the period ended 31st March 2006.

Profit before Tax

For reasons discussed above our profit before tax was Rs. 856.37 lakhs in 2006 reflecting an increase of 282.82 % from Rs. 223.70 lakhs in 31st March 2005. It was 12.17% of the turnover and the growth was attributed to the increased construction activity during the year under review.

Provision for Taxes

Provision for tax was Rs. 76.89 lakhs, comprising Rs. 67.58 lakhs as Income tax, Deferred tax was Rs. 8.01 lakhs and Fringe benefit tax was Rs. 1.30 lakhs.

Profit after Taxes

Profit after tax was Rs. 779.49 lakhs an increase of 386.85 % from Rs 160.11 lakhs for the period ended 31st March 2005.

Year ended March 31st 2005 compared to year ended March 31 2004

Our operations in the year ended 31st March 2004 and 2005 can be attributed to the following factors:

Total Revenue

Our total revenue marginally decreased by 3.91% from Rs. 3243.13 lakhs in the year ended March 31, 2004 to Rs. 3138.26 lakhs in the year ended March 31, 2005. Though the construction activity has increased by 4.89%, there has been a drop in sales of Joint venture by Rs. 245.68 lakhs and in other income by 23.75 lakhs.

Income from operations

Our income from operations increased by 4.89% from Rs.2929.02 lakhs in the year ended March 31, 2004 to Rs. 3072.29 lakhs in the year ended March 31, 2005, primarily due to increased construction activity.

Other operating Income

Our income from sale of precast has decreased to Rs.65.97 lakhs in the year ended on 31st March 2005 from Rs. 68.44 lakhs in the year ended March 31, 2004. The decrease in sales is primarily attributed to the fact that the company has been concentrating on execution of projects.

Other Income

Our other income has decreased from Rs. 42.75 lakhs in the year ended 31st March 2004 to Rs. 19.02 lakhs in the year ended 31st March 2005. The decrease can be attributed to drop in Machinery hire charges of Rs. 13.87 lakhs and miscellaneous income of Rs.10.89 lakhs.

Expenditure

Our total expenditure decreased by 2.30% from Rs. 3002.51 lakhs in the year ended March 31, 2004 to Rs. 2933.58 lakhs in the year ended March 31, 2005, primarily due to decrease in expenditure on account of Joint venture.

Construction Expenses

Our Construction expenditure increased by 6.72% from Rs. 2194.70lakhs in the year ended March 31, 2004 to Rs. 2342.13 lakhs in the year ended March 31, 2005, primarily due to corresponding increase in construction activity.

Employees Cost

Our Staff expenditure increased by 35.46 % from Rs. 79.33lakhs in the year ended March 31, 2004 to Rs. 107.46 lakhs in the year ended March 31, 2005, primarily due to increase in construction activity.

Other Expenses

Our Other expenditure increased by 18.83 % from Rs.195.39lakhs in the year ended March 31, 2004 to Rs. 232.18 lakhs in the year ended March 31, 2005, primarily due to increase in bank charges from Rs. 43.83 lakhs in 2004 to Rs.102.59 lakhs in 2005, increase in professional charges from Rs. 28.37 lakhs in 2004 to Rs. 32.68 lakhs in 2005, increase in vehicle hire and maintenance from Rs. 15.31 lakhs in 2004 to Rs 30.32 lakhs in 2005.

EBIDTA

Our earning before providing depreciation and interest was 471.91 lakhs and the EBIDTA Margin was 14.95%.

Interest Cost

Our Interest cost decreased by 39.83 % from Rs.217.37 in 2004 to Rs. 130.79 lakhs in 2005. The decrease was due to induction of funds by the promoters by way of share application money.

Depreciation

Our depreciation cost was Rs. 117.42 lakhs during the period ended 31st March 2005.

Profit before Tax

For reasons discussed above our profit before tax was Rs. 223.70 lakhs in 2005 reflecting an decrease of 21.05 % from Rs. 283.37 lakhs in 31st March 2004. It was 7.09 % of the turnover.

Provision for Taxes

Provision for tax was Rs. 63.60 lakhs, comprising Rs. 18.04lakhs as Income tax, Deferred tax was Rs. 45.56 lakhs.

Profit after Taxes

Profit after tax was Rs. 160.11 lakhs in 2005, a decrease of 36.84 % from Rs 253.51 lakhs for the period ended 31st March 2004. During the year under review, we had completed a major project in Joint venture and that resulted in drop in profit.

Year ended March 31st 2004 compared to year ended March, 31 2003

Our operations in the year ended 31st March 2003 and 2004 can be attributed to the following factors :

Total Revenue

Our total revenue increased by 68.58% from Rs. 1949.17 lakhs in the year ended March 31, 2003 to Rs. 3243.13 lakhs in the year ended March 31, 2004. The same can be attributed to increase in construction activity, which has increased by 134.04%.

Income from operations

Our income from operations increased by 134.03% from Rs.1251.58 lakhs in the year ended March 31, 2003 to Rs. 2929.02 lakhs in the year ended March 31, 2004, primarily due to increased construction activity.

Other operating Income

Our income from sale of precast has decreased to Rs.68.44 lakhs in the year ended on 31st March 2004 from Rs. 142.77 lakhs in the year ended March 31, 2003. The decrease in sales is primarily attributed to the fact that the company has been concentrating on execution of projects. During the year under review we had completed a project in Joint venture and there was a decrease in turnover by 51.82% from Rs.509.92 lakhs in the year ended 31st March 2003 to Rs. 245.68 lakhs in the year ended 31st March 2004.

Other Income

Our other income has marginally decreased from Rs. 44.90 lakhs in the year ended 31st March 2003 to Rs. 42.75 lakhs in the year ended 31st March 2004. The decrease can be attributed to drop in Machinery hire charges by Rs. 8.23 lakhs and increase in miscellaneous income of Rs.6.08 lakhs.

Expenditure

Our total expenditure decreased by 55.55 % from Rs. 1930.30 lakhs in the year ended March 31, 2003 to Rs. 3002.51 lakhs in the year ended March 31, 2004, primarily due to increase in construction activity.

Construction Expenses

Our Construction expenditure increased by 118.46 % from Rs. 1004.62 lakhs in the year ended March 31, 2003 to Rs. 2194.70 lakhs in the year ended March 31, 2004, primarily due to corresponding increase in construction activity. During the year under review a sum of Rs. 192.25 lakhs was spent on expenses in Joint venture.

Employees Cost

Our Staff expenditure increased by 2.52 % from Rs. 77.38 lakhs in the year ended March 31, 2003 to Rs. 79.33 lakhs in the year ended March 31, 2004, primarily due to increase in construction activity.

Other Expenses

Our Other expenditure increased by 83.16 % from Rs.112.23 lakhs in the year ended March 31, 2003 to Rs. 195.39 lakhs in the year ended March 31, 2004, primarily due to increase in bank charges from Rs. 20.88 lakhs in 2003 to Rs. 43.83 lakhs in 2005, increase in professional charges from Rs. 4.18 lakhs in 2003 to Rs. 28.37 lakhs in 2004, increase in vehicle hire and maintenance from Rs. 14.26 lakhs in 2003 to Rs 15.31 lakhs in 2004

EBIDTA
Our earning before providing depreciation and interest was 620.56 lakhs and the EBIDTA Margin was 18.89 %.

Interest Cost

Our Interest cost increased by 30.45 % from Rs. 166.63 in 2003 to Rs. 217.37 lakhs in 2004. The increase was due to additional term loan for purchase of construction equipments.

Depreciation

Our depreciation cost was Rs. 119.82 lakhs during the period ended 31st March 2004.The same has increased due to purchase of additional equipments and machinery.

Profit before Tax

For reasons discussed above our profit before tax was Rs. 283.37 lakhs in 2004 reflecting an increase 1401.69 % from Rs. 18.87 lakhs in 31st March 2003. It was 8.62 % of the turnover.

Provision for Taxes

Provision for tax was Rs. 29.86 lakhs, comprising Rs. 17.47 lakhs as Income tax, Deferred tax was Rs. 12.39 lakhs.

Profit after Taxes

Profit after tax was Rs. 253.51 lakhs in 2004, from a loss of Rs 3.31 lakhs for the period ended 31st March 2003.

Year ended March 31st 2003 compared to year ended March 31 2002

Our operations in the year ended 31st March 2002 and 2003 can be attributed to the following factors:

Total Revenue

Our total revenue increased by 122.10 % from Rs. 877.58 lakhs in the year ended March 31, 2002 to Rs. 1949.17 lakhs in the year ended March 31, 2003. The same can be attributed to increase in construction activity, which has increased by 969 %.

Income from operations

Our income from operations increased by 552.78 % from Rs.191.73 lakhs in the year ended March 31, 2002 to Rs. 1251.58 lakhs in the year ended March 31, 2003, primarily due to increased construction activity.

Other operating Income

Our income from sale of precast has increased to Rs. 142.77 lakhs in the year ended on 31st March 2003 from Rs. 137.68 lakhs in the year ended March 31, 2002. During the year under review we had completed a project in Joint venture and there was a decrease in turnover by 6.10% from Rs.543.06 lakhs in the year ended 31st March 2002 to Rs.509.92 lakhs in the year ended 31st March 2003.

Other Income

Our other income has increased from Rs. 5.11 lakhs in the year ended 31st March 2002 to Rs. 44.90 lakhs in the year ended 31st March 2003. The increase can be attributed to Machinery hire charges of Rs. 22.10 lakhs and interest of Rs. 16.74 lakhs.

Expenditure

Our total expenditure increased by 138.31 % from Rs. 810.01 lakhs in the year ended March 31, 2002 to Rs. 1930.30 lakhs in the year ended March 31, 2003, primarily due to increase in construction activity.

Construction Expenses

Our Construction expenditure increased by 932.50 % from Rs. 97.30 lakhs in the year ended March 31, 2002 to Rs. 1004.62 lakhs in the year ended March 31, 2003, primarily due to corresponding increase in construction activity. During the year under review a sum of Rs. 493.14 lakhs was spent on expenses in Joint venture.

Employees Cost

Our Staff expenditure increased by 129.41 % from Rs. 33.73 lakhs in the year ended March 31, 2002 to Rs. 77.38 lakhs in the year ended March 31, 2003, primarily due to increase in construction activity.

Other Expenses

Our Other expenditure increased by 76.46 % from Rs.63.60 lakhs in the year ended March 31, 2002 to Rs. 112.23 lakhs in the year ended March 31, 2003, primarily due to increase in bank charges from Rs. 9.61 lakhs in 2002 to Rs. 20.88 lakhs in 2003, increase in Repairs and Maintenance from Rs.6.66 lakhs in 2002 to Rs. 13.67 lakhs in 2003, increase in vehicle hire and maintenance from Rs. 7.80 lakhs in 2002 to Rs 14.26 lakhs in 2003 .

EBIDTA

Our earning before providing depreciation and interest was 259.95 lakhs and the EBIDTA Margin was 13.34 %.

Interest Cost

Our Interest cost increased by 225.13 % from Rs. 51.25 lakhs in 2002 to Rs. 166.63 lakhs in 2003. The increase was due to additional term loan for purchase of construction equipments.

Depreciation

Our depreciation cost was Rs. 74.45 lakhs during the period ended 31st March 2003.The same has increased due to purchase of additional equipments and machinery.

Profit before Tax

For reasons discussed above our profit before tax was Rs. 18.87 lakhs in 2003 reflecting a decrease of 72.07% from Rs. 67.57 lakhs in 31st March 2002. It was 0.97 % of the turnover.

Provision for Taxes

Provision for tax was Rs. 22.18 lakhs, comprising Rs. 1.71 lakhs as Income tax, Deferred tax was Rs. 20.47 lakhs.

Loss after Taxes

Loss after tax was Rs. 3.31 lakhs in 2003, from a profit of Rs 60.52 lakhs for the period ended 31st March 2002.

Liquidity and Capital Resources

Historically, our principal liquidity requirements have been to finance our working capital needs and our capital expenditures. Our business requires a significant amount of working capital to finance the purchase of materials and the performance of engineering, construction and other work on projects before payment is received from clients. To fund these costs, we have relied on short-term and other borrowings, including working capital financing, and on cash flows from operating activities

REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE:

Unusual or infrequent events or transactions:
Except as described in this Draft Red Herring Prospectus, there have been no events or transactions that may be termed as "unusual" or "infrequent".

Significant Economic changes that materially affected or are likely to affect income from continuing operations:
Government polices governing the sector including taxation; FDI and provisions relating to multilateral financial institutions have major bearing on the companies involved in construction and in infrastructure sector. Any major changes in policies of the Government affecting economic growth would have an impact on the profitability of our Company. Except the above, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

Known trends or uncertainties
Except as disclosed in this section and the section titled "Risk factors" and elsewhere in this Prospectus, to our knowledge, there are no known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

Future relationship between costs and revenues
Except as disclosed in this section and the sections titled "Our Business" and "Risk Factors", to our knowledge there are no known relationships between costs and revenues.

Seasonality of business
Our business operations may be materially and adversely affected by severe weather, which may require us to evacuate personnel or curtail services and may result in damage to a portion of our fleet of equipment or 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. Difficult working conditions and extremely high temperatures also adversely affect our operations during summer months and during monsoon, which restrict our ability to carry on construction activities and fully utilize our resources. We record revenues for those stages of a project that we complete, after we receive certification from the client that such stage has been successfully completed. Revenues recorded between April and September, are traditionally substantially lower compared to revenues recorded October and March due to the peak summer and monsoon seasons falling in the April to September period. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced.

Reason for increase in sales/revenue
The increase in turnover is on account of increase in sales volume.

Total turnover of the Industry in which we operate
We are operating only in one segment namely construction industry. Relevant published data, as available, for the industry turnover has been included in the heading entitled "Industry".

New products introduced in FY 2006
We have not introduced any new products in FY2006

Over dependence on Single supplier/Customer

We source our raw materials from a number of suppliers and we are not under threat from excessive dependence on any single supplier. Similarly, our Company is engaged in diversified construction activities including commercial, industrial and residential construction for a number of private sector companies.

Competitive conditions

We face competition both from larger and well-established players and smaller proprietary firms. We have also been securing repeat business from the private sector companies to whom we have been catering.

Material Developments after the date of the last Balance sheet:

In the opinion of the Board of Directors of the Company, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect the profitability of the Company or the value of its assets or its ability to pay its liabilities within the next twelve months.

SECTION VIII - LEGAL AND OTHER REGULATORY INFORMATION:

Except as described below, based on records available, there are no outstanding litigations/pending litigation, suits or criminal or civil prosecutions or tax liabilities by or against the Company, its directors, Promoters or companies promoted by its promoters (or Promoter Group) that would have a material impact on the business of the Company and there are no defaults, non payment of statutory dues to, financial institutions/bank dues and dues payable to holders of debentures, bonds and fixed deposits and arrears of preference shares default in creating full security as per the terms of issue / other liabilities, proceedings initiated for economic / civil and 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, 1956) that would result in material adverse effect on our consolidated business taken as a whole, that would have a material adverse effect on the business other than unclaimed liabilities by the Company or its directors, its Promoters or companies promoted by its promoters(or Promoter Group). Further, the directors, promoters or companies promoted by the promoters have not been declared as wilful defaulter by Reserve Bank of India, and also have not been debarred from dealing in securities and/or accessing the capital markets by SEBI and no disciplinary action has been taken against them by SEBI or any stock exchanges.

OUTSTANDING LITIGATIONS INVOLVING COMPANY

A. FILED BY THE COMPANY

The Company has not filed any criminal proceedings against any parties

B FILED AGAINST THE COMPANY

1. LITIGATION INVOLVING CRIMINAL LAWS:

However applications under Section138 of Negotiable Instruments Act has been filed against the company in the Court of Judicial Magistrate, First Class, Vashi, CBD Navi Mumbai against the Company as below:

The Company has taken two JCB machines JCB Earth Movers ("***JCB***") on rental basis as per the terms and conditions contained in the agreement dated April 30, 2004. The Company issued eleven cheques on various dates drawn on Canara Bank, Turbhe, which were dishonoured due to insufficient funds. JCB sent a legal notice to the Company dated August 9, 2005 to pay the amount of Rs.24,79,084 within 15 days of receipt of the notice. The Company was unable to pay the amount of Rs.24,79,084 and thereafter, JCB filed case (no. 3272 of 2005) in the Court of Judicial Magistrate First Class, Vashi at CBD, Navi Mumbai against the Company. The matter was posted for hearing on November 20, 2006 when the Company was ordered to file an Affidavit in reply and the matter has been adjourned for further hearing to April 16, 2007.

Matters / litigations against the company settled.

Matters / disputes with following parties are settled as on date and the details are :

a. M/s Ultratech Limited
b. Mrs S Agarwal and others
c. ALFS Limited

2. LITIGATION INVOLVING SECURITIES AND ECONOMIC LAWS:

There is no litigation involving securities and economic laws by the Company.

3. LITIGATION INVOLVING STATUTORY LAWS:

There is no litigation involving statutory laws.

4. LITIGATION INVOLVING CIVIL LAWS:

Legal Notice from M/s Swiss Consultancy, Mumbai

The Company has received a legal notice dated May 17, 2006 from Swiss Consultancy (*a Division of Supreme Communications Limited, Mumbai*). The Company have hired Swiss Consultancy for rendering professional service in relation to the re-structuring of the capital and also to assist the Company for Initial Public Offering for an agreed fee of Rs.20,00,000/. The Company paid an initial amount of Rs.2,00,000/- and thereafter issued a cheque of Rs. 3,00,000/- drawn on Karun Vysya Bank, Borivali which was dishonoured. The Company later vide letter dated June 1, 2006 requested for a joint meeting with the representatives of Swiss Consultancy for settling the issue. No proceedings have been issued against the Company till date.

Payment dispute with M/s Deepak Meganani - a drain contractor

Mr. Deepak Meghnani was awarded a contract on back to back basis at the LBS site of the Company to do the drainage work. Mr. Meghnani, claims to have executed gross work of about Rs.100 lacs which is to be settled and also the deductions on account of Materials provided at the site have to be deducted from the gross bill, The dispute is being sought to be negotiated and resolved

Payment dispute with M/s Samser singh of M/s Vijay construction

M/s. Vijay Construction was awarded a contract on back-to-back basis at the Mumbai site of the Company. The payment was to be made on the basis of certification by department. While M/s. Vijay Construction is seeking Rs.14 lacs more than the actual payments made to him, reason more so due to non accounting of recoveries. The dispute, is being sorted out for settlement with the said M/s. Vijay Construction.

Payment dispute with Late Mr Jaykar Shetty of Technomech Engineers

M/s Technomech was awarded a Contract on back to back basis at our LBS site, the payment to be made was on basis of certification from the Principals M/s MMRDA. Income Tax department has issued a notice under section 220 for restraining the company to make any payment to the Former and directing the company to pay as may be due to the Former . which the Company has disputed and filed suitable affidavit with the Income Tax Authorities.

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LITIGATION PERTAINING TO COMPANY LAW:

a. Company has filed an application under Section 633 of the Companies Act for relieving the Directors from any liability arising out of non compliance of the provisions of Companies Act in particular non filing of Returns for the deposit accepted by the Company from 2001-02, 2005-06 and for excess deposit. The Petition has been filed in the Hon'ble High Court which is pending. However save and except this Company has not filed any litigation.

b. However the Company has received a winding up notice under Section 434 as stated below.

The Company placed four separate orders with Infrastructure Equipment Limited ("***IIEL***") for hire of of machinery. IIEL deployed Machinery to riase hire charges to the extent of Rs. 26 lakhs. It also committed breach of contract by stopping work As per the letter of IIEL the total amount due is Rs. 11.4 lakhs.

. The Company has received a demand notice on January 14, 2006 under Section 434 of Company Act, 1956 from IIEL dated January 10, 2006 for payment of Rs.23,60,908/- along with interest @ 24% per annum. IIEL has filed a Company Petition No. 545 of 2006 in the High Court at Bombay praying that the company be wound up and pending the appointment of Official Liquidator provisional liquidator be appointed to conduct the affairs of the Company. The matter was due to come up for hearing on November 9, 2006, however, the matter was not taken on board and the next date for the hearing has yet not been fixed.

II. OUTSTANDING LITIGATION INVOLVING DIRECTORS AND PROMOTERS

A. AGAINST THE DIRECTORS/PROMOTERS

1. LITIGATION INVOLVING CRIMINAL LAW

Applications under Negotiable Instruments Act has been filed against the company and the Directors of the company in the Court of Judicial Magistrate, First Class, Vashi, CBD Navi Mumbai .

The Company has taken two JCB machines JCB Earth Movers ("***JCB***") on rental basis as per the terms and conditions contained in the agreement dated April 30, 2004. The Company issued eleven cheques on various dates drawn on Canara Bank, Turbhe, which were dishonoured due to insufficient funds. JCB sent a legal notice to the Company dated August 9, 2005 to pay the amount of Rs.24,79,084 within 15 days of receipt of the notice. The Company was unable to pay the amount of Rs.24,79,084 and thereafter, JCB filed case (no. 3272 of 2005) in the Court of Judicial Magistrate First Class, Vashi at CBD, Navi Mumbai against the Company. The matter was posted for hearing on November 20, 2006 when the Company was ordered to file an Affidavit in reply and the matter has been adjourned for further hearing to April 16, 2007.
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2. LITIGATION INVOLVING SECURITIES AND ECONOMIC LAWS
There is no litigation involving securities and economic laws by or against the Promoters / Directors.

3. LITIGATION INVOLVING STATUTORY LAWS.
There is no litigation involving statutory laws.

4. LITIGATION INVOLVING CIVIL LAWS
There is no litigation involving civil laws.

5. LITIGATION INVOLVING LABOUR LAWS
There is no litigation involving labour laws.

B. FILED BY THE DIRECTORS/PROMOTERS

1. LITIGATION INVOLVING CRIMINAL LAWS
There is no litigation by Directors/Promoters involving criminal laws.

2. LITIGATION INVOLVING SECURITIES AND ECONOMIC LAWS
There is no litigation involving securities and economic laws by the Promoters / Directors

3. LITIGATION INVOLVING STATUTORY LAWS.
There is no litigation involving statutory laws by the Promoters / Directors.

4. LITIGATION INVOLVING CIVIL LAWS
There is no litigation involving civil laws by the Promoters / Directors.

5.LITIGATION INVOLVING LABOUR LAWS
There is no litigation involving labour laws by the Promoters / Directors.

III. OUTSTANDING LITIGATIONS INVOLVING PROMOTER'S GROUP COMPANIES.

A. **FILED AGAINST THE PROMOTERS/DIRECTORS COMPANY**

1. LITIGATION INVOLVING CRIMINAL LAWS
There is only one sister concern Asha Trading Company and there is no litigation involving securities and economic laws by the Promoters / Directors of sister concerns.

STATUTORY APPROVALS AND LICENSES

GOVERNMENT APPROVALS

The Company does not require any letter of intent or industrial license from the GoI for carrying out its current operations or those proposed in this draft Red Herring Prospectus. The Company also does not require any permission osr approval from the GoI and various GoI agencies for proceeding with the proposed capital expenditure from the proceeds of the Issue except those mentioned in this draft Red Herring Prospectus. The Company does not require any further approval from any GoI authority or RBI to undertake the proposed activities save and except those consents and approvals, which it may require to take in the normal course of business from time to time.

The Company has received all the necessary consents, licenses, permissions and approvals from the GoI and various GoI agencies / private certification bodies required for our present business and no further approvals are required for carrying on the present as well as our proposed business except as mentioned herein. It must, however, be distinctly understood that in granting the above consents/ licenses/ permissions/ approvals, the GoI does not take any responsibility for our financial soundness or for the correctness of any of the statements or any commitments made or opinions expressed.

GOVERNMENT APPROVALS

In view of the approvals listed below, we can undertake this issue and our current business activities and no further major approvals from any governmental or regulatory authority of any other entity are required to undertake or continue our business activities. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring prospectus.

Approval for the Company

Sr. No.	Issuing Authority	Registration/ License No.	Nature of License/Registration	Validity
1.	Registrar of Companies	11- 114307	Certificate of Incorporation	-
2.	Income Tax Department	AABCN1596J	Permanent Account Number	-
3.	Income Tax Department	MUMN12771D	TAN	-
4.	Superintendent of Central Excise	AABCN1596J-XM-001	Registration under Central Excise Act, 1944 for manufacturing at C-55 T.T.C. Industrial Area, MIDC, Thane, Belapur.	
5.	Regional P.F. Commissioner, Maharashtra & Goa	MH/24292/PF/APP/VTS/759	Registration under E.P.F. Act, 1952	-
6.	Foreign Trade Development Officer	0301021317	Import-Export Code Number	-
7.	Superintendent Service Tax	ST/DIV-V/ REGN/ST/DIV-V/REGN/GTA/ 2277/2004-05	Registration under Service Tax	

Approval for our Business

We have received the following significant Government and other approvals pertaining to our business

Sr. No.	Issuing Authority	Registration/ License No.	Nature of License/Registration	Validity
1.	Office of the Inspector under Shops and Establishment Act, 1948	ME-II/001600	Registration Certificate of Establishment.	-
2.	Office of the Asst. Commissioner of Labour & Registrating & Licensing under Contract Labour (R&A) Act, 1970		Registration Certificate of Contract Labour.	
4.	Public Works Department	16/2005-2006	Registration as a contractor under Class 1-A	
5.	Brihan-Mumbai Corporation	586	Registration as a contractor under class AA for Buildings, Class A for Bridges and Class AA for Roads.	December 31, 2008
6.	Chief Inspector, Factory	Thane/2(m)(i)/ 329.3	Registration under Factories Act, 1948 to employed up to 50 workers on any day.	31st December, 2006
7.	Directorate of Construction, service and Estate Management	DCSE/PEQ/W/ 51/120/514	Approval for inclusion of Company's name in the recommended list	
8.	Regional Office Maharashtra Employees' State Insurance Corporation	31-34804-A-46 And 31-34804-46	Registration under Employee State Insurance Act to provide insurance and other benefits to the employees of the Company	
9.	Dy. Commissioner (Cess), Navi Mumbai Mahanagar Palika	NMMC/CEG/04 /01672	Registration under Navi Mumbai Municipal Corporation, Cess Department	
10.	Department of Atomic Energy, Government of India	DCSE/PEQ/W/ 51(120)/514	Approval for Manufacture /Supplier of Precast cement items	
11.	Deputy Director Industries (M.M.R.) Dist. Industries Centre, Thane (W)	DICT/SSI/PMT/ 1130	Permanent Registration as a unit for the manufacturing of Precast Cement Items	

Registration under Local Sales Tax Act and Central Sales Tax Act.

Sr. No.	Issuing Authority	Registration/ License No.	Nature of License/Registration	Validity
1.	Profession Tax Officer	PTR/1/1/31/5243	Certificate of registration under the Maharashtra Sales Tax on Professions, Trades, Callings and Employments Act, 1975.	-
2.	Sales Tax Department, Maharashtra	400088/S/904	Certificate of registration under Section 22/22A of the Bombay Sales Tax Act, 1959.	-
3.	Central Sales Tax Department, Maharashtra	400088/C/791	Certificate of registration under Section 7(1)/7(2) of the Central Sales Tax Act, 1956.	-

4.	Sales Tax Department, Orissa	BA – 5642	Certificate of registration under Section 9/9A and 9C of the Orissa Sales Tax Act, 1947.	-
5.	Central Sales Tax Department, Orissa	BAC – 2671	Certificate of registration under Section 7(1)/7(2) of the Central Sales Tax Act, 1956.	-
6.	Sales Tax Department, Maharashtra	W/IM-426	Registration as a dealer under section 7 of the Maharashtra Sales Tax on the Transfer of Property in Goods involved in the Execution of the Works Contract Act, 1985	-

MATERIAL DEVELOPMENTS

Significant development since the last audited balance sheet as on March 31, 2006 till the date of Draft Red Herring Prospectus.

We have issued 2092800 Equity shares as under between the period April 1,2006 and March, 2007

23-Apr-06	533300	5533300	10	75	Cash	Allotment to Private Corporate Bodies and Individuals	346.65
23-Apr-06	110000	5643300	10	110	Cash	Allotment to Individuals	456.65
23-Apr-06	450000	6093300	10	95	Cash	Allotment to Individuals	839.15
30-May-06	605000	6698300	10	100	Cash	Allotment to Private Corporate Bodies and Individuals	1383.65
30-May-06	3000	6701300	10	125	Cash	Allotment to Individuals	1387.1
30-May-06	10000	6711300	10	75	Cash	Allotment to Individuals	1393.6
09-Jun-06	4500	6715800	10	100	Cash	Allotment to Private Corporate Bodies and Individuals	1397.65
09-Jun-06	75500	6791300	10	90	Cash	Allotment to Individuals	1458.05
09-Jun-06	75000	6866300	10	120	Cash	Allotment to Private Corporate Bodies and Individuals	1540.55
20-Nov-2006	22000	6888300	10	90	Cash	Allotment to Individuals	1558.15
20-Nov-2006	55500	6943800	10	100	Cash	Allotment to Individuals	1608.10
20-Nov-2006	5000	6948800	10	110	Cash	Allotment to Individuals	1613.10
20-Nov-2006	144000	7092800	10	125	Cash	Allotment to Individuals	1778.70

No circumstances have arisen since the date of last financial statement until the date of filing of this draft Red Herring Prospectus with SEBI, which materially and adversely affect or is likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of our Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares in the Issue by the Company has been authorised by the resolution of the Board of Directors passed at their meeting held on September 01, 2006, subject to the approval of shareholders through a special resolution to be passed pursuant to Section 81(1A) of the Companies Act, 1956. The shareholders approved the issue at the Annual General Meeting (AGM) of the Company held on September 30, 200.

Prohibition by SEBI

Neither the Company, nor its Promoters, its directors, any of its Group Companies, and the companies or entities with which directors of the Company are associated, as directors or promoters, have been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or directions passed by SEBI.

None of the Promoters, their relatives, the Company or the Promoter Group Companies are detained as willful defaulters by RBI/ government authorities and there are no proceedings relating to violations of securities laws pending against them and there are no violations of securities laws committed by them in the past.

The Listing of any securities of the Issuer has never been refused at anytime by any of the Stock Exchanges in India.

Eligibility for the Issue

As per Clause 2.2.1 of SEBI Guidelines, the Company may make an initial public offering of equity shares or any other securities that may be converted into or exchanged with equity shares at a later date, only if it meets all the following conditions:

1 The Company has net tangible assets of atleast Rs. 300 lakhs in each of the 3 preceding full years (of 12 months each) of which not more than 50% is held in monetary assets.
2 The Company has a track record of Distributable Profits as per Section 205 of the Companies Act, 1956, for atleast three out of immediately preceding five years.
3 The Company has a pre-issue Net Worth of atleast Rs. 100 lakhs in each of the preceding 3 full years (of 12 months each).
4 The proposed issue size does not exceed five (5) times the pre-issue net worth of the Company as per the audited accounts for the year ended March 31, 2006.

The following table shows the net tangible assets, monetary assets, distributable profits and net worth for the past five financial years in accordance with Indian GAAP**:**

(Rs. in lakhs)

Financial Year	2001-02	2002-03	2003-04	2004-05	2005-06	31.12.2006
Net Tangible Assets	240.64	216.91	1,003.07	1,117.62	2,702.83	4,164.83
Monetary Assets	121.69	272.24	286.65	318.60	404.74	34.19
Distributable Profits	60.52	(3.31)	253.51	160.11	779.49	479.50
Net Worth	251.65	248.39	1,046.94	1,207.05	2,800.27	4,262.64

**Share Capital excludes the Share Application Money pending Allotment*

(1) Net Tangible Assets are defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves, if any), trade investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities and non-trade investments.
(2) Monetary Assets are defined as the sum of cash on hand, Non Trade Investments, Balance with Scheduled Bank in Current accounts and Fixed Deposits and balance with Post Office Savings account.
(3) Net Worth includes equity share capital and reserves (net off miscellaneous expenditure not written off)

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 MANAGER, ALLBANK FINANCE LIMITED HAS 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, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, ALLBANK FINANCE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED APRIL 02 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.**

3. **WE CONFIRM THAT:**
   A. **THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI 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 SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH;**
   C. **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A <u>WELL INFORMED DECISION</u> AS TO THE INVESTMENT IN THE PROPOSED ISSUE;**
   D. **BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID; AND**
   E. **WE HAVE CERTIFIED OURSELVES ABOUT THE WORTH OF UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

4. **WE CERTIFY THAT A WRITTEN CONSENT FROM THE SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS A PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

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, 1956. ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE RED HERRING PROSPECTUS WITH THE ROC IN TERMS OF SECTIONS 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 SECTIONS 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR 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 LEAD MANAGER (MERCHANT BANKER), ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

DISCLAIMER FROM THE ISSUER AND THE BOOK RUNNIGN LEAD MANAGER

The Company, its Directors and the Book Running Lead Managers accepts no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisement or any other material issued by or at instance of the Company and that anyone placing reliance on any other source of information, including our website www.nirajstructurals.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 between the Book Running Lead Managers Allbank Finance Limited and the Company.

All information shall be made available by the BRLMs and the Company to the public and investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever including road show presentations, research or sales reports or at collection centres or elsewhere.

Neither the Company nor BRLMs or Syndicate Members shall be liable to the Bidders for any failure in downloading the bids due to faults in any software/ hardware system or otherwise.

CAUTION

Investors that bid in this 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 approval to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares. The Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to Persons resident in India (including Indian nationals resident in India) who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, venture capital funds 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 million, and to permitted nonresidents, FVCIs, FIIs registered with SEBI and Eligible NRIs provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this 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 offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been filed with SEBI for observations. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares 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, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States to certain Persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

DISCLAIMER CLAUSE OF BOMBAY STOCK EXCHANGE LIMITED (BSE, the Designated Stock Exchange)

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to RoC filing.

DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to RoC filing.

FILING

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C-4A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai– 400 051.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under section 60 of the Companies Act, 1956 having being attached thereto, has been delivered for registration to the Registrar of Companies, Maharashtra, 100,Everest, Marine Lines, Mumbai-400002

LISTING

The initial listing applications have been made to Bombay Stock Exchange Limited. (BSE) and The National Stock Exchange of India Limited (NSE) for permission to list the Equity Shares and for an official quotation of the Equity Shares of the Company. BSE will be the Designated Stock Exchange.

In case the permission for listing of the Equity Shares and for official quotation of the Equity Shares is not granted by any of the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Draft Red Herring Prospectus and if such money is not repaid within eight days after the day from which the Issuer becomes liable to repay it, then the Company and every director of the Company who is an officer in default shall, on and from the expiry of 8 days, be jointly and severally liable to repay the money with interest prescribed under Section 73 of the Companies Act 1956.

The Company with the assistance of the Book Running Lead Managers 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 finalization and adoption of the basis of allotment for the Issue.

CONSENTS

Consents in writing of Directors, the Company Secretary, Compliance Officer, the Auditors, Bankers to the Company, Monitoring Agency, Book Running Lead Managers to the Issue, Registrars to the Issue and Legal advisors, Syndicate Members, Underwriters to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, as required under Sections 60 of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of a copy of this Draft Red Herring Prospectus, for registration with the Registrar of Companies, 100 Everest Building, Marine Lines, Mumbai – 400 002.

Ajay Garg, Statutory Auditors, have also given their consent to the inclusion of their report as appearing hereinafter in the form and context in which it appears in this Red Herring Prospectus and also tax benefits accruing to the Company and to the members of the Company and such consent and report have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for registration with the Registrar of Companies, 100 Everest Building, Marine Lines, Mumbai – 400 002.

EXPERT OPINION

Except as stated in the section titled "Financial Statements" beginning on page 101 of this Draft Red Herring Prospectus, we have not obtained any expert opinions.

PUBLIC ISSUE EXPENSES

The expenses for this Issue includes issue management fees, selling commission, distribution expenses, legal fees, fees to advisors, stationery costs, advertising expenses and listing fees payable to the Stock Exchanges, among others. The total expenses for this Issue are estimated at approximately Rs. [■] lakhs, details of which are as under:

(Rs. in Lakhs)

Activity	**Amount**	**% Total Issue Size**	**% Total Issue Expenses**
Issue Management Fee*		[●]	[●]
Registrars fees **		[●]	[●]
Fee for Legal Counsel			
Printing and Distribution of Issue Stationery **		[●]	[●]
Advertising and Marketing expenses **		[●]	[●]
Other expenses(stamp duty, initial listing fees, depository fees, charges for using the book building software of the exchanges and other related expenses)**		[●]	[●]
Total		[●]	[●]

* *Will be incorporated after finalisation of Issue Price*

*** Will be incorporated at the time of filing of the Red Herring Prospectus.*

All expenses with respect to the Issue will be borne by our Company.

Fees Payable to the Lead Manager, Brokerage and Selling Commission

The total fees payable to the BRLMs including brokerage and selling commission for the Issue will be as per the Engagement Letter copy of which is available for inspection at the Registered Office of the Company.

Fees Payable to the Registrar

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding executed between the Company and the Registrar dated May 18, 2006, copy of which is available for inspection at the Registered Office of the Company.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund order(s) or allotment advice by registered post or speed post or under certificate of posting.

Previous Public and Rights Issues

The Company has not made any public or rights issue since its inception.

Previous Issues of Shares Otherwise than for Cash

The Company has not issued shares for consideration other than for Cash, except as stated in the title "Capital Structure" on page 14 of this DRHP

Commission and Brokerage paid on Previous Issues

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of Equity Shares of the Company since its incorporation

Companies under the Same Management

There are no companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956 which has made any capital issues during the last three years.

Promise v/s Performance

(A) Last issue made by the Issuer Company

The Company has not made any issue of Equity Shares to the public prior to the present Public Issue.

(B) Last issue of group/ associate companies

The Promoters of the Company does not have any listed venture and consequently the Company is not required to furnish details of promise v/s performance in respect of the last issues of its Promoter companies.

Option to Subscribe

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in Dematerialized form only.

Outstanding Debentures, Bonds, Redeemable Preference Shares or other Instruments

The Company, since its incorporation has not issued any Redeemable Preference shares and debentures, bonds or other instruments.

Stock Market Data for our Equity Shares

This being the Initial Public Issue of the Company, the equity shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Company has appointed **Intime Spectrum Registry Limited** as the Registrar o the Issue, to handle the investor grievances in co-ordination with Compliance Officer of the Company. All grievances relating to the present issue may be addressed to the registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and Bank branch where the application was submitted. The Company will monitor the work of the Registrar to ensure that the grievances are settled expeditiously and satisfactorily.

Disposal of Investor Grievances

Intime Spectrum Registry Limited, the Registrar to the Issue, will handle investor grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with Registrar to the Issue in attending to the grievances of the investors. The Company assures that the Board of Directors, in respect of the complaints, if any, to be received, shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Taken
1.	Non-receipt of refund	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.
2.	Change of Address notification	Within 7 days of receipt of Information
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details

The Company has appointed Mr. Soni Agarwal, General Manager, Finance of the Company, as Compliance Officer who would directly deal with SEBI with respect to implementation /compliance of various laws, regulations and other directives issued by SEBI and matters related to investor Complaints. The investor may contact the Compliance Officer in case of any pre issue/post issue related problems. The Compliance Officer can be contacted at the following address:

Niraj Cement Structurals Limited
Niraj House, Sunder Baug
Opp. Deonar Depot, Chembur
Mumbai – 400 088
Tel. No.: +91-22-2551 3750/ 3541
Fax No.: +91-22-2551 8736
E-mail: info@niraj.co.in
Website: http://www.niraj.co.in

Changes in Auditors

There has been no change in the Auditors of the Company during the last three years.

Capitalization of Reserves or Profits (during the last five years)

The Company has not capitalized its profits or reserves at any time except as stated in the section titled "Capital Structure" on page 14 of this Draft Red Herring Prospectus.

Revaluation of Assets (during the last five years)

The Company has not revalued its assets during the last five years.

Payment or Benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation. Except as stated in the section titled "Related Party Transactions" beginning on page 97 of this Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

SECTION IX - ISSUE RELATED INFORMATION

ISSUE STRUCTURE

PUBLIC ISSUE OF 32,50,000 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [■] PER EQUITY SHARE AGGREGATING RS. [■] LAKHS (HEREINAFTER REFERRED TO AS "THE ISSUE") BY NIRAJ CEMENT STRUCTURALS LIMITED (HEREINAFTER REFERRED TO AS "NCSL" OR THE "COMPANY" OR THE "ISSUER"). THE ISSUE WOULD CONSTITUTE 32.13% OF THE TOTAL POST ISSUE PAID-UP EQUITY CAPITAL OF THE COMPANY.
PRICE BAND: RS. [■] TO RS. [■] PER EQUITY SHARE 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

	QIBs	**Non-Institutional Bidders**	**Retail individual Bidders**
Number of Equity Shares*	Not more than 14,62,500 Equity Shares or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Minimum of 4,38,750 Equity Shares or Net Issue less allocation to QIB Bidders and Retails Individual Bidders.	Minimum of 10,23,750 Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size Available for allocation	Not more than 50% of the Net Issue or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders with 5% compulsory allocation to mutual funds.	Not less than 15% of Net Issue or Net Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of Net Issue or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate
Minimum Bid#	Such number of Equity Shares that the Bid Amount exceeds Rs. 1, 00,000 and in multiples of [•] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [•] Equity Shares thereafter	[•] Equity shares and in multiples of [•] Equity Share thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid amount does not exceed Rs. 1,00,000
Mode of Allotment	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode
Trading Lot	One	One	One
Who can apply***	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, scientific institutions, societies and trusts.	Individuals (including NRIs and HUFs) applying for Equity Shares such that the Bid amount does not exceed Rs. 100,000 in value.

	QIBs	Non-Institutional Bidders	Retail individual Bidders
	and state Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable laws.		
Terms of Payment	Margin Money applicable to QIBs at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Money applicable to Non institutional Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Money applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin Amount	10% of the bid amount	Full Bid amount on Bidding	Full Bid amount on Bidding

** Subject to valid bids being received at or above the Issue Price.*

***Under-subscription, if any, in any category would be met with spillover from other categories at the sole discretion of the Company, in consultation with the BRLMs.*

**** 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.*

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% book building method where in up to 50% of the Net Issue to Public shall be allocated on a proportionate basis to Qualified Institutional Buyers with 5 % of compulsory allocation to mutual funds only and the remainder of the Qualified Institutional Buyers portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid being received at or above the issue price. Further, not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the members of the Syndicate. We, in consultation with the BRLM, reserve the right to reject any Bid procured by any or all members of the Syndicate without assigning any reasons therefore in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, we would have a right to reject the Bids only on technical grounds.

We, in consultation with the BRLM would have proportionately allocate to QIBs based on a number of criteria, which will typically include, but would not be limited to, the following: prior commitment, investor quality, price, earliness of bid, existing and continued shareholding of QIBs during the period prior to the Bid Opening Date and until the date of pricing.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized 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 dematerialized 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 allotment 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 authorized us to make the necessary changes in this Draft Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by the 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 Nationals or NRIs applying on a non-repatriation basis	White
NRIs or FIIs or Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Red
Eligible Employees of the Company.	Blue

Who Can Bid?

- Indian nationals resident in India who are majors, in single or joint names (not more than three);
- 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 authorized to

invest in Equity shares;

- Indian mutual funds registered with SEBI;
- Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI Guidelines and Regulations, as applicable);
- 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 minimum corpus of Rs. 2500 lakhs and who are authorized under their constitution to invest in Equity Shares;
- Pension funds with minimum corpus of Rs. 2500 lakhs and who are authorized under their constitution to invest in Equity Shares;
- Multilateral and bilateral development financial institutions;
- Trusts/Societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/Societies and who are authorized under their constitution to hold and invest in equity shares;
- Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non- repatriation basis subject to applicable local laws; and
- Scientific and/or industrial research organizations authorized under their constitution to invest in equity shares.
- Any other QIBs permitted to invest, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Offer;
- Eligible employees

As per existing regulations, OCBs are prohibited from investing in this Issue.

Note: The BRLMs and Syndicate Members shall be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations if any. However, associates and affiliates of BRLMs and Syndicate Member may subscribe for equity shares in the issue, including the QIBs and Non-Institutional portion where the allocation is on proportionate basis.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Bids by Mutual Funds

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 equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with 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 for which the Bid has been made.

Bids by Eligible NRIs

NRI Bidders to comply with the following:

1. Individual NRI Bidders can obtain the Bid cum Application Forms from our Registered Office, members of the Syndicate or the Registrar to the Issue.
2. NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (White in color). All instruments accompanying bids shall be payable in Mumbai only.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of our post-issue paid-up capital (i.e., 10% of xxxxxxxx Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. Under the current foreign investment policy applicable to us foreign equity participation up to 100% is permissible under the automatic route.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity

Bids by SEBI registered VCF and FVCI:

As per the current regulations, the following restrictions are applicable for investments by SEBI registered VCFs and FVCIs:

The SEBI (Venture Capital) Regulations, 1996, and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the investment by any VCF or FVCI should not exceed the prescribed investment limit as the case may be.

It is to be distinctly understood that 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.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modifications or changes in the 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 non-residents including NRIs, FIIs and Foreign Venture capital Funds registered with SEBI on a repatriation basis.

Bids and Revision to Bids must be made:

- On the prescribed Bid cum Application Form or Revision Form, as applicable (blue in colour) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single name or joint names (not more than three)
- NRIs for a Bid Amount of up to Rs. 1,00,000 would be considered under the Retail Bidders portion for the purposes of allocation and Bids for a Bid amount of more than Rs. 1,00,000 would be considered under the Non-Institutional Bidders portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund and Bilateral Development Financial Institution for a minimum of such number of Equity Shares and in multiples of [•] thereafter that the Bid Amount exceeds Rs. 1,00,000; for further details see "Maximum and Minimum Bid Size" at page 144 of this Draft Red Herring Prospectus.
- In the names of individuals, or in the names of FIIs or in the names of Foreign Venture Capital Funds, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- 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 U.S. 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 despatched 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.

Maximum and Minimum Bid size

For Retail Bidders: The Bid must be for minimum [xxxx] number of Equity Shares and in multiples of [xx] Equity Shares thereafter subject to maximum bid amount of Rs. 1,00,000 In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000. In case the Bid Amount is over Rs. 1,00,000 due to revision or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allotment under the Non-Institutional Bidders category. 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.

For Others (Non-Institutional Bidders and QIBs) Bidders: The Bid must be for a minimum of such number of Equity Shares in multiples of [*] such that the Bid Amount payable by the Bidder exceeds Rs. 1,00,000 and in multiples of [*] Equity Shares thereafter. A Bid cannot be submitted for more than the net Issue to the public. However, the maximum Bid by a QIB 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.

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 1,00,000, for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

For Bidders in the Employee Reservation Portion

The Bid must be for a minimum of [xx] Equity Shares and in multiples of [xx] Equity Shares thereafter. The maximum Bid in this portion cannot exceed 1,00,000 Equity Shares. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the Bidding Options not exceeding Rs.1,00,000 may bid at Cut-off price. The allotment in the employee reservation portion will be on proportionate basis.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders

a) The Company will file this Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.
b) The Price Band shall be advertised at least one day prior to the Bid Opening Date/Issue Opening Date. With regard to the Price Band, the Bidders can be guided by the secondary market prices of the Equity Shares.
c) The members of the Syndicate will circulate copies of this Draft Red Herring Prospectus along with the Bid-cum-Application Form to their potential investors.
d) Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of this Draft Red Herring Prospectus along with the Bid-cum- Application Form can obtain the same from the registered office of the Company or from the BRLM, or from a member of the Syndicate.
e) The Bids should be compulsorily submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of a member of the Syndicate. The Bid-cum-Application Forms, which do not bear the stamp of a member of the Syndicate, will be rejected.

Method and Process of bidding

1. We, with the BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus filed with RoC and publish the same and the Price Band in two national newspapers (one each in English and Hindi) and a regional newspaper (Marathi) and on websites of BRLM and Company as appearing on the cover page. This advertisement, subject to the provisions of Section 66 of the Companies Act and shall be in the format prescribed in Schedule XX-A of SEBI DIP Guidelines, as amended vide SEBI Circular no. SEBI / CFD / DIL / DIP / 14 / 2005 / 25 / 1 dated January 25, 2005. The members of the Syndicate shall accept Bids from the Bidders during the Issue Period.
2. Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.
3. The Bidding Period shall be a minimum of 3 working (three) days and not exceed 7 working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be informed to the Stock Exchanges and published in two national newspapers (one each in English and Hindi) and one regional newspaper (Marathi) and on websites of BRLM and Company, as appearing on the cover page and the Bidding Period may be extended, if required, by an additional 3 (three) days, subject to the total Bidding Period not exceeding ten working days.
4. During the Bidding Period, the Bidders may approach 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.
5. 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 entitled "Bids at Different Price Levels" on page 146 of this Draft Red Herring Prospectus) within the Price Band and specify the demand (i.e., the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.
6. 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 bidding 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 allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the paragraph "Build up of the Book and Revision of Bids" on page 146 of this Draft Red Herring Prospectus.
7. The members of the Syndicate will enter each 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.
8. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph "Terms of Payment and Payment into the Escrow Account" on page 146 of the Draft Red Herring Prospectus.

Bids at Different Price Levels

1. The Price Band shall be advertised at least one day prior to the Bid Opening Date/ Issue Opening Date in [•], an English language newspaper with wide circulation, [•], a Hindi language newspaper with wide circulation and [•] a Marathi newspaper with wide circulation and also on the websites of the BRLM and the Company, as appearing on the cover page. Bidders are advised to be guided by the price of our listed Equity Shares in the secondary market for the purposes of making a decision to invest in the Equity Shares offered as part of this Issue. The Bidders can bid at any price within the Price Band, in multiples of [•].
2. We, in consultation with the BRLM, can revise the Price Band during the Bidding Period, in which case the Bidding Period shall be extended further for a period of three additional days, subject to the total Bidding Period not exceeding ten working days. 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 Price Band can move up or down to the extent of 20% of the Floor Price disclosed in this Red Herring Prospectus.

3. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by informing the stock exchanges, by issuing a public notice in two national newspapers (one each in English and Hindi), and one regional newspaper (Marathi) and also indicating the change on the relevant websites of the BRLM, Company and the terminals of the members of the Syndicate.
4. We, in consultation with the BRLM, can finalise the Offer Price within the Price Band without the prior approval of, or intimation to, the Bidders.
5. The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 1,00,000 may bid at "Cut-off". However, bidding at "Cut-off" is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non Institutional Bidders shall be rejected.**
6. Retail Individual Bidders who bid at the Cut-off agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders, who bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account.
7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at Cut-off could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 1,00,000 of the bidder wants to continue to bid at Cut-off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs.1, 00,000, the Bid will be considered for allocation under the Non-Institutional category in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downward for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidders shall be deemed to have approved such revised Bid at Cut-off Price.
8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off could either revise their Bid or the excess amount paid at the time of bidding would be refunded form the Escrow Account.
9. In the event of any revision in the Price Band, whether upwards or downwards, the Minimum Application Size shall remain [•] Equity Shares irrespective of whether the Bid Amount payable on such Minimum Application is not in the range of Rs. 5,000 to Rs.7, 000. The Company in consultation with the BRLMs shall accordingly stipulate the minimum application size (in terms of number of shares) falling within the aforesaid range.

Application in the Issue

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in the dematerialized form only.

Escrow Mechanism

1. The Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue. The Escrow Collection Banks will act in terms of the Draft Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Account of the Company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with the Company. Payment of refund to the Bidders shall also be made from the Escrow Agreement and this Draft Red Herring Prospectus.

2. The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between the Company, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Collection Account

Each Bidder, who is required to pay Margin Amount greater than 0%, shall, with the submission of the Bid-cum-Application Form draw a cheque, demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the paragraph "Payment Instructions" on page 146 of this Draft Red Herring Prospectus) 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 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.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds whose bids have been accepted 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, lying credited with Escrow Collection Banks shall be held for the benefit of the Bidders who are entitled to refunds. On the Designated Date, and no later than 15 days from the Bid / Issue Closing Date, the Escrow Collection Bank(s) shall refund all amount payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation to the Bidders.

Each category of Bidders (i.e. QIBs, Non Institutional Bidders, Retail Individual Bidders) would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form. The Margin Money payable by each category of Bidders is mentioned under the heading "Issue Structure" on page 144 of this Draft Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date which shall be a minimum period of two (2) 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 favoring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had applied for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid Closing Date/Issue Closing Date, failing which the Company shall pay interest @15% per annum for any delay beyond the periods mentioned above.

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 BSE/NSE on-line connectivity to each city where a Stock Exchange is located in India and the Bids are accepted.
(b) NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding Period. Members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on an half hourly basis. On the Bid Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges.
(c) The aggregate demand and price for bids registered on the electronic facilities of NSE and BSE will be downloaded on an half hourly basis, consolidated and displayed on-line at all bidding centers. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor (Investors 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, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form.)
- Investor Category –Individual, Corporate, NRI, FII, or Mutual Fund, etc.
- Numbers of Equity Shares bid for.
- Bid price.
- Bid-cum-Application Form number.
- Whether Margin Amount is made upon submission of Bid-cum-Application Form.
- Depository Participant Identification No. and Client Identification No. of the Demat Account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the members of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or the Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) The BRLM/ member of the Syndicate also has the right to accept the Bid or reject it without assigning any reason, in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 146 in this Draft Red Herring Prospectus.

(h) It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company or BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of the Company.

(i) It is also to be distinctly understood that the approval given by BSE and/or NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been 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 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.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.

(b) The book gets build up at various price levels. This information will be available with the BRLM on a regular basis.

(c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.

(d) Revisions can be made in both the desired numbers of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. 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 Draft Red Herring Prospectus. In case of QIBs, the members of the Syndicate may at their sole discretion waive the payment requirement at the time of one or more revisions by the QIB Bidders.

(f) 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 has placed the original Bid. Bidders are advised to retain copies of the blank Revision Forms and the revised Bid must be made only in such Revision Form or copies thereof.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) In case of discrepancy of data between BSE or NSE and members of the Syndicate, the decision of the BRLM based on the physical records of BSE or NSE shall be final and binding to all concerned.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLM shall analyze the demand generated at various price levels and discuss pricing strategy with the Company.

(b) The Company, in consultation with the BRLM shall finalise the "Issue Price", the number of Equity Shares to be allotted and the allocation to successful QIB Bidders. The allocation will be decided based on the quality of the Bidder and the size, price and time of the Bid.

(c) The allocation for QIBs would be upto 50% of the Issue Size would be discretionary. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and not less than 35% of the Issue Size, respectively, would be on proportionate basis 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 any category would be allowed to be met with spill over from any of the other categories at the discretion of the Company, in consultation with the BRLMs However, if the aggregate demand by Mutual Funds is less than 70,000 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, under-subscription, if any, would be allowed to be met with spillover from any other category or combination of categories at the discretion of Company, in consultation with the BRLMs and the Designated Stock Exchange.

(e) Allocation to NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions registered with SEBI applying on repatriation basis will be subject to the applicable laws, rules, regulations, guidelines and approvals.

(f) The BRLMs, in consultation with the Company shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) The Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning reasons whatsoever but before allotment. In terms of SEBI DIP guidelines, QIB bidders shall not be allowed to withdraw their bid after the bid / issue closing date.

Notice to QIBs: Allotment Reconciliation

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the electronic book, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Issuance of Confirmation of Allocation Note

a. Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, the investor 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 Members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The despatch of a CAN shall be deemed to be 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 full Bid Amount into the Escrow Account on or prior to the time of bidding shall pay in full amount into the Escrow Account on or prior to the Pay-in Date specified in the CAN.

c. Bidders who have been allocated Equity Shares and who have already paid the full Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrars to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The despatch of a CAN shall be deemed to be a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for allotment to such Bidder.

d. The Issuance of CAN is subject to "Notice to QIBs: Allotment Reconciliation" as set forth under the chapter "Issue Procedure" of this Draft Red Herring Prospectus.

Signing of Underwriting Agreement and ROC Filing

a. The Company, the BRLM, and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.
b. After signing the Underwriting Agreement, the company will 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.

Filing of the Prospectus with ROC

The Company will file a copy of the Prospectus with the Registrar of Companies, Mumbai, situated at The Registrar of Companies, Maharashtra, 100, Everest, Marine Lines, Mumbai-400002 in terms of Section 56, Section 60 and Section 60B of the Companies Act, 1956.

Announcement of Pre-Issue Advertisement

Subject to section 66 of the Companies Act, the Company shall after receiving final observation, if any, on this Draft Red Herring Prospectus with SEBI, publish an advertisement, in the form prescribed by the SEBI DIP guidelines in two widely circulated newspapers (one each in English. Hindi and Marathi).

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by the Company after 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 the Draft Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by the Company after the filing of the Prospectus with the RoC. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Issue Price along with a table showing the number of Equity Shares to be issued. Any material updates between the date of the Draft Red Herring Prospectus and the date of the Prospectus will be included in such statutory advertisement.

Designated Date and Allotment of Equity Shares

1. 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 allot the Equity Shares to the allottees. The Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allottees shall be completed within two working days of the date of finalization of the basis of allotment. In case, the Company fails to make allotment or transfer within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.
2. **In accordance with the SEBI DIP Guidelines, Equity Shares will be issued and allotment shall be made only in the dematerialised form to the allottees.** Allottees will have the option to re-materialise the Equity Shares, if they so desire, 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 to them pursuant to this Issue.

General Instructions:

Do’s:

(a) Check if you are eligible to apply;
(b) Read all the instructions carefully and complete the resident Bid-cum-Application Form (white in colour) or Non-Resident Bid-cum-Application Form (blue in colour)
(c) Ensure that the details about Depository Participant and Beneficiary Account are correct, as Allotment of Equity Shares will be in the dematerialized form only. Ensure that the Bids are submitted at the Bidding Centers only on forms bearing stamp of the Syndicate Member;
(d) 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.
(e) Ensure that you have been given a TRS for all your Bid options;
(f) Submit Revised Bids to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS;
(g) Ensure that the Bid is within the Price Band.
(h) Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act where the maximum Bid for Equity Shares by a Bidder is for a total value of Rs. 50,000 or more and attach a copy of the PAN Card and also submit a photocopy of the PAN card(s) or a communication from the Income Tax authority indicating allotment of PAN along with the application for the purpose of verification of the number, with the Bid cum Application Form. In case you do not have a PAN, ensure that you provide a declaration in Form 60 or 61 as the case may be together with the permissible documents as address proof
(i) Ensure that demographic details (as defined herin below) are updated true and correct in all respects.

Don'ts:

(a) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
(b) Do not Bid for lower than minimum Bid size;
(c) Do not Bid or revise the Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
(e) Do not pay Bid amount in cash;
(f) Do not Bid at cut off price (for QIB Bidders, Non-Institutional Bidders for whom the Bid Amount exceeds Rs. 100,000);
(g) Do not fill up the Bid cum Application Form for an amount that exceeds the investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable laws / regulations.
(h) Do not send Bid cum Application Form by post; instead submit the same to a member of the Syndicate only.
(i) Do not submit bid accompanying with Stock Invest.
(j) Do not provide your GIR number instead of your PAN as bid is liable to be rejected on those ground.
(k) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by QIB.

Instructions for completing the Bid cum Application Form
Bidders can obtain Bid cum Application Forms and/or revision Forms from the members of Syndicate

Bids and Revisions of Bids

Bids and revisions of Bids must be:
(a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRI or FII or foreign venture capital fund registered with SEBI applying on repatriation basis.
(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.
(c) The Bids from the Retail Individual Bidders must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum of Rs. 1,00,000.
(d) For non institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid amount exceeds Rs. 1,00,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the size of the Issue. Bidders are advised to ensure that a single bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations.
(e) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
(f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Eligible Employees

1. For the purpose of the Employee Reservation Portion, Eligible Employee means permanent employees of our company who are on the pay-roll of our Company as on xxxxxxxxxxxx.
    (a) Bids under Employee Reservation Portion by Eligible Employees shall be made only in the prescribed Bid cum Application Form or Revision Form (i.e. Blue colour Form).
    (b) Eligible Employees, as defined above, should mention the Employee Number at the relevant place in the Bid cum Application Form.
    (c) The sole/ first bidder should be Eligible Employees as defined above.
    (d) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.
    (e) Bids by Eligible Employees will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.
    (f) Bidding at cut-off is allowed only for employees whose bid amount is less than or equal to Rs. 1,00,000.
    (g) Bids made by the employees under both employee reservation portion as well as in the net issue shall not be treated as multiple bids.
    (h) If the aggregate demand in this category is less than or equal to 1,00,000 Equity Shares at or above the issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(i) Any under subscription in Equity Shares reserved for Employees would be treated as part of the Net issue and allocation to be made in accordance with the description in Basis of Allocation as described in page 165 of this Draft Red Herring Prospectus.
(j) If the aggregate demand in this category is greater than 1,00,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis.

Bidder's 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 Bidders bank account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through Direct Credit to or ECS. 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 credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Company shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S 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.

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 demographic details of the Bidders such as address, bank account details for printing on refund orders or giving credit through ECS or Direct Credit and occupation (hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/Allocation Advice and printing of Bank particulars on the refund order and the Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid-cum-Application Form, Bidder would have deemed to authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records.

Refund Orders/ Allocation Advice/ CANs would be mailed at the Bidder as per the Demographic Details received from the Depositories. Bidders may note that 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 Bidders in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk. Please note that any such delay shall be at the Bidders sole risk and neither the Company, 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 that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids under Power of Attorney

In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered Societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Article 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 thereof.

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 submitted 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.

In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted 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.

In case of Bids made by provident fund with the minimum corpus of Rs. 2500 lakhs and pension fund with the minimum corpus of Rs. 2500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged 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.

In case of Bids made by Mutual Fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted 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.

The Company, in its absolute discretion, reserves 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 as the Company and the BRLMs may deem fit.

Payment Instructions

The Company shall open an Escrow Account of the Company with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form. The BRLMs and Syndicate Member(s) shall also open Escrow Accounts of the Syndicate with one or more of the Escrow Collection Banks for the collection of the margin amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account to the Issue

Payment into Escrow Account to the Issue

1. The Bidders for whom the applicable Margin Amount is equal to 100% shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account of the Company and submit the same to the member of the Syndicate.

2. ***In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account of the Company within the period specified in the CAN which shall be***

subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.

3. The payment instruments for payment into the Escrow Account of the Company should be drawn in favour of:

a. In case of resident QIB Bidders: **“Escrow Account – NCSL Public Issue – QIB”**
b. In case of Resident Retail Individual and Non-Institutional Bidders **- “Escrow Account – NCSL Public Issue”**
c. In case of Non-Resident QIB Bidders: **“Escrow Account - NCSL Public Issue - QIB - NR”**
d. In case of Non-Resident Retail Individual and Non-Institutional Bidders applying on a repatriation basis **- “Escrow Account - NCSL Public Issue - NR”**
e. In case of Eligible Employees of the Company: **“Escrow Account – NCSL Public Issue - Employees”**

- In case of Bids by 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 a Non-Resident Ordinary Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
- In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

4. 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 of the Company.

5. The monies deposited in the Escrow Account of the Company will be held for the benefit of the Bidders till the Designated Date.

6. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of the Company as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

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 to the Bidders.

8. Payments should be made by cheque, or demand drafts 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 center where the Bid cum Application Form is submitted. Outstation cheque/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 Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-2004 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.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by Account Payee cheques or drafts shall be submitted to the Members of the Syndicate at the time of submitting the Bid-cum-Application Form. The Members of the Syndicate may at their discretion waive the requirement of payment at the time of submission of the Bid cum Application Form and Revision Form.

No separate receipts shall be issued for the money payable on submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Individuals may make bid in single or joint names (not more than three). In the case of joint Bids, all refunds will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In this regard, illustrations of certain procedures which may be followed by the Registrar to the Issue to detect multiple applications are provided below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN / GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.
3. Then the addresses of all these applications from the address master will be strung. 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.
4. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.
5. After consolidation of all the masters as described above, a print out of the same 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.

Bidders in the Employee Reservation portion can also bid in the Net Issue to the Public and such Bids shall not be treated as multiple Bids

The Company reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of an Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the application form.** Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable**

to be rejected on this ground. 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" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61, as the case may be.**

Unique Identification Number – MAPIN

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations for obtaining Unique Identification Number (UIN) and the requirement to contain/ quote UIN under the SEBI (Central Database of Market Participants) Regulations, 2003 by its circular bearing number MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UIN's in a phased manner. The press release states that the cut-off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs. 100,000 to Rs. 500,000 or more. The limit will be reduced progressively. For trade order value of less than Rs. 500,000, an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of this Red Herring Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations. Therefore, MAPIN is not required to be quoted with the Bids.

Our Right to Reject Bids

The Company and the BRLM reserve the right to reject any Bid without assigning any reason therefore in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company would have a right to reject bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected inter-alia on the following technical grounds:

1. Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. In case of Partnership firms, the shares may be registered in the name of individual partners and no firm as such shall be entitled to apply.
4. Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane Persons;
5. PAN photocopy/ PAN Communication/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given if Bid is for Rs. 50,000 or more;
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than the lower end of the Price Band;
8. Bids at a price more than the higher end of the Price Band;
9. Bids at cut-off price by Non-Institutional and QIB Bidders;
10. Bids for number of Equity Shares, which are not in multiples of [•];
11. Category not ticked;
12. Multiple bids as defined in this Draft Herring Prospectus;
13. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
14. Bids accompanied by Stock invest/money order/ postal order/ cash;

15. Bids not duly signed by the sole/joint Bidders;
16. Bid-cum-Application Form does not have the stamp of the Syndicate Member;
17. Bid-cum-Application Form does not have Bidder's depository account details;
18. Bid-cum-Application Forms are not submitted by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and this Draft Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the Bid-cum-Application Form; or
19. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations see the details regarding the same at [•] of this Draft Red Herring Prospectus.
20. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary's identity;
21. Bids by OCBs;
22. Bids by US persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance Regulation S under the Securities Act; and
23. Bids by NRIs not disclosing their residential status;
24. If GIR number is mentioned instead of PAN number.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted 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 tripartite agreements have been signed among the Company, the Depositories and the Registrar,

1. An Agreement dated [■] among NSDL, the Company and [■].
2. An Agreement dated [■] among CDSL, the Company and [■]

All Bidders can seek allotment only in Dematerialized mode. Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

1. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
2. 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.
3. Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. 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 depository account of the Bidder(s).
5. Non Transferable allotment advice or refund orders will be directly sent to the Bidders by the registrar to the Issue.
6. 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.
7. 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.
8. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. All the stock exchanges where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
9. The trading of Equity Shares of the Company would only be in dematerialized form for all investors in the demat segment of the respective Stock exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Pre-Issue and Post Issue Related Problems

We have appointed Mr. Soni Agarwal 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:

Niraj Cement Structurals Limited
Niraj House, Sunder Baug
Opp. Deonar Depot, Chembur
Mumbai – 400 088
Tel. No.: +91-22-2551 3750/ 3541
Fax No.:+91-22-2551 8736
E-mail: info@niraj.co.in
Website: http://www.niraj.co.in

Procedure and Time Schedule for Transfer of Equity Shares

The Issue will be conducted through a "100% book building process" pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [•] and expire on [•]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLMs, will determine the issue price, and, in consultation with the BRLMs, the basis of allotment and entitlement to allotment based on the bids received and subject to the confirmation by the BSE/NSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI Guidelines require our Company to complete the allotment to successful bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Disposal of Applications and Applications Money and Interest in case of Delay

The Company shall ensure despatch of allotment advice, refund orders (except for Bidders who receive refunds through Electronic Transfer of Fund) 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 finalisation of basis of allotment of Equity Shares. The Company shall dispatch refund orders above Rs. 1500/-, if any, by registered post or speed post at the sole or first bidder's sole risk, except for Bidders who have opted to receive refunds through the ECS facility or RTGS or Direct Credit.

The Company shall despatch refund orders, as per the procedure mentioned under section "Dispatch of Refund Orders" on page 146 of this Draft Red Herring Prospectus, at the sole or First Bidder's sole risk.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

The Company shall use its 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 finalization of the basis of allotment.

In accordance with the Companies Act, the requirements of the stock exchanges and SEBI Guidelines, the Company further undertakes that:

i) Allotment of Equity Shares shall be made only in dematerialized form within 15 days of the Bid/Issue Closing Date;

ii) Dispatch of refund orders will be done within 15 days from the Bid /Issue Closing Date; and

iii) The Company shall pay interest at 15% per annum (for any delay beyond the 15 days time period as mentioned above), if allotment is not made, refund orders / credit intimation are not dispatched and in case where refund is made through electronic mode, 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 fifteen 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.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrars to the Issue.

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 except where the refund or portion thereof is made in electronic manner as described above. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"**Any person who:**

a. makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or

b. otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Basis of Allocation

1. **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 portion. The allocation to all the successful Retail individual Bidders will be made at the Issue Price.
   - The Net Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which 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 allocation 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 allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of allocation, refer below.

2. **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 portion. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
   - The Issue size less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which 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 allocation 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; allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of allotment refer below.

3. **For QIB Bidders**
   - 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 allocation to all the QIBs will be made at the issue price.
   - The Issue size less allocation to Non-Institutional portion and Retail Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
   - The allotment shall be undertaken in the following manner –
     a. In the first instance, allocation to mutual funds for upto 5% of the QIB portion shall be determined as follows-
        i) In the event that bids from mutual funds exceed 5% of the QIB portion, allocation to mutual funds shall be done on a proportionate basis upto 5% of the QIB portion.
        ii) In the event that the aggregate demand from mutual funds is less than 5% of 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 to all QIB Bidders as set out in as (b) below;

     b. In the second instance, allocation to all QIBs shall be determined as follows –
        i) In the event that the over subscription 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 upto 95% of the QIB portion.
        ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of equity shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other 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.
4. **For Employee Reservation Portion**
   - Bids received from the eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the successful Employees will be made at the Issue Price.
   - If the aggregate demand in this portion is less than or equal to 1,00,000 Equity Shares at or above the Issue Price, full allocation shall be made to Employees to the extent of their demand.
   - If the aggregate demand in this portion is greater than 1,00,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer below.
   - Only eligible Employees shall apply under the Employee reservation portion.

Undersubscription, if any, in any category would be allowed to be met with spillover from any other category at the sole discretion of our company and the BRLMs

Method of Proportionate Basis of Allocation

In the event of the issue being over-subscribed, the Company shall finalise the basis of allotment to Retail Individual Bidders and Non-Institutional Bidders in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrars to the issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner. Allotment to the Bidders shall be made in the marketable lots on a proportionate basis as explained below.

a. Bidders will be categorized according to the number of Equity Shares applied for by them.
b. The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, being 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, being the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d. 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.

e. In all Bids where the proportionate allotment is less than [•] Equity Shares per Bidder, the allotment shall be made as follows:
   - Each successful Bidder shall be Allotted a minimum of [•] Equity Shares; and
   - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
   - Each successful Bidder shall be allotted a minimum of [•] Equity Shares.

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 Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

a. Issue details

Sr. No.	**Particulars**	**Issue details**
1	Issue size	100 lakhs Equity Shares
2	Allocation to QIB (minimum 10% of the Issue)	50 lakhs Equity Shares
	Of which:	
	a. Reservation For Mutual Funds, (5%)	2.50 lakhs Equity Shares
	b. Balance for all QIBs including Mutual Funds	47.50 lakhs Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	250 lakhs Equity Shares

b. Details of QIB Bids

Sr. No.	**Type of QIB bidders#**	**No. of shares bid for (in Lakhs)**
1	A1	25
2	A2	10
3	A3	65
4	A4	25
5	A5	25
6	MF1	20
7	MF2	20
8	MF3	40
9	MF4	10
10	MF5	10
	TOTAL	**250**

 # A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

c. Details of Allotment to QIB Bidders/Applicants
(Number of equity shares in lakhs)

Type of QIB bidders	Shares bid for	Allocation of 5 /1 lakh Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 180 lakhs Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
A1	25	0	4.80	0
A2	10	0	1.92	0
A3	65	0	12.48	0
A4	25	0	4.80	0
A5	25	0	4.80	0
MF1	20	0.50	3.74	4.24
MF2	20	0.50	3.74	4.24
MF3	40	1.0	7.48	8.48
MF4	10	0.25	1.87	2.12
MF5	10	0.25	1.87	2.12
	250	**2.50**	**47.50**	**21.20**

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 144 of this Draft Red Herring Prospectus.
2. Out of 50 lakhs Equity Shares allocated to QIBs, 2.50 lakh (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 100 lakh shares in the QIB Portion.
3. The balance 47.50 lakhs Equity Shares [i.e. 50 – 2.5 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 250 lakh Equity Shares (including 5 Mutual Fund applicants who applied for 100 lakh Equity Shares).
4. The figures in the fourth column titled "Allocation of balance 95 lakhs Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

    1. For QIBs other than Mutual Funds (A1 to A5)= Number of Equity Shares Bid for X 47.5/247.5
    2. 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 47.5/247.5
    3. The numerator and denominator for arriving at allocation of 47.5 lakhs Equity Shares to the 10 QIBs are reduced by 2.5 lakh shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders

The Company shall give credit of Equity Shares to the beneficiary account with depository participants within 2 working days of finalisation of the basis of allotment of Equity Shares. Applicants having bank accounts at any of the 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, the Company shall dispatch refund orders, if any, of value upto Rs. 1,500 by "Under Certificate of Posting", and will dispatch refund orders above Rs. 1,500, if any, by registered post only at the sole or first Bidder's sole risk within 15 days of the Bid / Issue Closing date and adequate funds for the purpose shall be made available to the Registrars by the Company. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter through "Under Certificate of Posting" within 15 days of closure of issue, intimating them about the mode of credit of refund, the bank where refunds shall be credited along with the amount and the expected date of electronic credit of refund.

The Company shall ensure dispatch of refund orders / refund advice, if any, by “Under Certificate of Posting” or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the First Bidder’s sole risk within 15 days of the Bid / Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode (s) disclosed shall be made available to the Registrars by the Company.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI guidelines, the Company undertakes that:

- Allotment shall be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- **Dispatch of refund orders:** Refunds will be done within 15 days from the Bid / Issue Closing Date at the sole or First Bidder’s sole risk. The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrars to the Issue; and
- **Interest in case of delay in dispatch of allotment letters / refund orders:** 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 have not been dispatched to the applicants or if, in 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 within 15 days from Bid / Issue closing date.

Save and except refunds effected through the electronic mode i.e. ECS, direct credit or RTGS, refunds will be made by cheques, pay-orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. The Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

The Company will provide adequate funds to the Registrars to the Issue for making refunds to unsuccessful applicants as per the mode disclosed under “Dispatch of Refund Order” appearing on page 146 of this DRHP.

Dispatch of Refund Orders

The payment of refund, if any, would be done through various modes in the following order of preference –

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following fifteen centers - Ahmedabad, Bangalore, Bhubneshwar, Kolkatta, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvanthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR Code as appearing on a cheques leaf from the Depositories. The payment of refunds is mandatory through this mode for applicants having a bank account at any of the above-mentioned fifteen centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.
2. Direct Credit – Applicants having bank accounts with the Refund Bankers, in this case being [*], shall be eligible to receive funds through direct credit. Charges, if any, levied by the Refund Bankers for the same would be borne by the Company.
3. RTGS – Applicants having a bank account at any of the above-mentioned fifteen centers and whose refund amount exceeds Rs. Ten Lakhs, 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 banks for the same would be borne by the Company. Charges, if any, levied by the applicants’ bank receiving the credit would be borne by the applicant.

Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed in 1, 2 & 3 hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine digit MICR code, the refund orders would be dispatched “Under Certificate of Posting” for refund orders of value upto Rs. 1,500 and through Speed Post / Registered Post for refund orders of Rs. 1,500 and above.

Undertaking by the Company

The Company undertake as follows:

a. that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
b. 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;
c. that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the

heading "Dispatch of Refund Orders" on page 146 of this Draft Red Herring Prospectus shall be made available to the Registrar to the Issue by the Company;

d. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of Issue, giving details of the bank where refunds shall be credited alongwith the amount and expected date of electronic credit of refund;
e. that the promoter's contribution in full, shall be brought in advance before the issue opens for public subscription;
f. that the refund orders or allotment advice to the Eligible NRIs or FIIs shall be dispatched within specified time; and
g. that no further Issue of Equity Shares shall be made until the Equity Shares Issued through this Draft Red Herring Prospectus are listed or until the Bid Money's are refunded on account of non-listing, under-subscription etc.

Utilisation of Issue Proceeds

The Board of Directors of the Company certifies that:

a. 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;
b. details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in its balance sheet indicating the purpose for which such monies have been utilised;
c. details of all unutilised monies out of the Fresh Issue, if any, shall be disclosed under the appropriate separate head in its balance sheet indicating the form in which such unutilised monies have been invested.

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.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the GoI and FEMA. While the Industrial Policy 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 of the Government of India, 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.

Subscription by Non-Residents

The Equity Shares have not been and will not be registered under 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 or the requirements of the Investment Company Act.

Accordingly, the Equity Shares are only being offered and sold (i) in the United States to entities that are both "qualified institutional buyers", as defined in Rule 144A of the Securities Act and "qualified purchasers" as defined under the Investment Company Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. We, the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this 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.

SECTION X – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF THE ASSOCIATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF COMPANY

Capitalised terms used in this section have the meaning given to such terms in the Articles of the Company.

Pursuant to Schedule II of the Companies Act, 1956 and the SEBI (DIP) Guidelines, the main provisions of the Articles of Association of the Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of equity shares and or their consolidation/splitting are detailed below.

4. **Share capital**

i. The Authorized Share Capital of the company is Rs.12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs only) equity shares of Rs.10/- (Rupees ten only) each.

ii. Paid Up Capital of the Company shall be minimum Rs.5,00,000/= (Rs. Five Lakhs Only)

5. **Board's right to issue shares**

(a) The Board may, at its discretion, issue any part or parts of the un issued shares upon terms and conditions and with such rights and privileges annexed there to as the Board at its discretion and subject to the provisions of Section 81 of the Act thinks fit. 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 General Meeting.

7. **Allotment**

The Board may, at any time increase the subscribed capital of the Company by the issue of new shares out of the un issued part of the share capital in the original or subsequently created capital but subject to Section 81 of the Act and the following provisions, namely :

a) Where the offer and allotment of such shares are made within two years from the date of incorporation of the company or within one year from the first allotment of shares made after incorporation, whichever is earlier the Board shall be at liberty to offer the shares and allot the same to any person or persons at their discretion.

(b) In respect of offers and allotments made subsequent to the date set out in Clause (a) above, the directors shall subject to the provisions of Section 81 of the Act and of sub clause (c) hereunder observe the following conditions :-

i) Such new shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the company in proportion as nearly as circumstances indent, to the capital paid up on these shares at that date.

ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer it net accepted will be deemed to have been declined.

iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the company.

(c) The directors may with sanction of the company in general meeting offer and allot shares to any person at their discretion provided that such sanction is accorded either by.

i) a "Special" resolution passed at any general meeting or

ii) by an ordinary resolution passed at a general meeting by majority of the votes cast and with the approval of the Central Government in accordance with Section 81 of the Act.

2) Nothing in this clause shall apply to the increase in the subscribed capital of the company caused by the exercise of an option attached to debentures issued or loans raised by the company

i) to convert such debentures or loans into shares in the company
or
ii) to subscribe for share in the company

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term.

a) has been approved by a special resolution passed by the company in general meeting before the issue of the debentures or the raising of the loans and also

b) either has been approved by the Central Government before the issue of the debentures on the raising of the loans or is in conformity with the rules, if any, made by the Government in this behalf.

8. **Power of General Meeting**

In addition to and without derogating from the powers for the purpose conferred on the Board under Article 7 the company in General Meeting may determine that any shares (whether forming part of the original capital or of any increased capital of the company) shall be offered to such persons (whether members or holders of debentures of the company or not) in such proportion and on such terms and conditions and either at premium or at par, or (subject to compliance with the provisions of Section 79 of the Act) at a discount, as such General Meeting shall determine and with full power to give any person (whether a member or holder of debentures of the company or not) the option to call for or be allotted shares of any class of the Company either at a premium or at par, or (subject to compliance with the provisions of Section 79 of the Act) 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 provisions whatsoever for the issue, allotment or disposal of any shares.

9. **Variations of rights**

The rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that close. The every such separate meeting the provisions of these Articles relating to General Meetings shall mutinied apply except that the necessary quorums shall be two persons at least holding or representing by proxy one third of the issued shares of that class.

14. **Joint Holders**

Where two or more persons are registered as joint holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions.

a) The person whose name stands first on the register in respect of such share shall alone be entitled to delivery of certificate thereof.

b) Any one of such persons may give effectual for any dividend, bonus or return of capital payable in respect of such share and such joint holders shall be severally as well as jointly liable for payment of all instalments and calls due in respect of such share/shares.

c) Any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons to present whose name stands first on the register in respect of such share, shall alone be entitled to vote thereof several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.

d) In case of death of any one or more of such joint holders the survivors shall be the only persons recognized by the company as having any title to or interest in such share but the directors may require such evidence of death as they may deem fit and 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.

e) All notices directed to be given to the members shall be given to such person who is named first in the register and notice to given shall be sufficient notice to all the holders of such shares.

15. **Issue of share certificate**

Every certificate of title to shares shall be issued under the seal of the company. Every share certificate and every document of title to the shares whether in renewal of an existing share certificate or other document of title or issued for the first time shall be issued under the authority of the Board of Directors and in accordance with the provisions of the Companies (issue of share certificates) Rules, 1960 or any modification thereof and in accordance with the provisions of law or other rule having the force of law applicable thereto.

16. **Rights to Certificate**

a) Every person whose name is entered as a member in the register shall be entitled to receive without payment.

   i) One certificate for all his shares, or

   ii) Where the shares so allotted at any one time exceed the number of shares fixed as marketable lot in accordance with the usages of the stock exchange or at the request of the shareholder, several certificates one each per marketable lot and one for the balance.

b) The company shall within two months after the allotment or within one month from the receipt of application for the registration of the transfer of any share or debentures send the certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares or debentures otherwise provide.

c) Every certificate shall be under the seal and shall specify the shares or debentures to which it relates and the amount paid up thereon.

d) The provisions of clauses (2) & (3) above shall apply mutates mutandis to debentures and debenture stock allotted or transferred.

e) No fee shall be charged for the issue of a new share certificate either for sub-division of the existing share certificates or for the consolidation of several share certificates into market lot or for issue of fresh share certificates in lieu of share certificates on the back of which there is no space for endorsement for transfer or for issue of duplicate share certificate in replacement of those which are old and decrepit or for registration of any probate, letters of administration succession certificate or like document, or for registration of any Power of Attorney or other similar documents.

17. **One certificate for Joint Holders**

In respect of share held jointly by several persons, the company shall not be bound to issue more than one certificate for the same share and delivery of a certificate for share to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid the joint holders shall be entitled to apply for several certificate each for one or more shares held by them in accordance with articles 16 above.

19. **Renewal of Certificate**

If a certificate be worn out, defaced, destroyed or lost or if there is no further space on the back thereof for endorsement of transfer, if shall if requested, be replaced, by a new certificate free of charge provided however that such new certificate shall not be granted except upon delivery of the worn out or defaced or used up certificate for the purpose of cancellation in accordance with the Companies (Issue of Share Certificates) Rules, 1960 or upon proof of destruction or loss and on such indemnity as the Board may require in the case of the certificate having been destroyed or lost. Any duplicate shall be marked as such.

33. **Procedure as to transfer of shares**

a) The instrument of transfer of any shares in the company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in report thereof. The instrument of transfer shall be in respect of only, one class of shares and should be in the form prescribed under section 108 of the Act.

b) The Board of Directors shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the company along with the certificate relating to the shares and such other evidence as the company may require to prove the title of the transferor or his right to transfer the shares.

Provided that where it is proved to the satisfaction of the Board of Directors think fit, on an application in writing made by the transferee and bearing the stamp required on an instrument of transfer, register the transfer on such terms as to indemnity, as the Board of Directors may think fit

c) An application for the registration of the transfer of any share or shares may be made either by the transferor or by the transferee provided that where such application is made by the transferor no registration shall in the case of partly paid shares be effected unless the company given notice of the application to the transferee and the company shall, unless objection is made by the transferee, within two weeks from the date of receipt of the notice, enter in the register the nature of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

d) For the purpose of sub-clause (3) notice to the transferes shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.

e) Nothing in Clause (4) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

34. **Form of Transfer**

The shares in the company shall be transferred by instrument in writing in the prescribed form, duly stamped and in the manner provided under the provisions of Section 108 of the Act and any modification thereof and the Rules prescribed there under.

35. **Board's right to refuse to register**

a) Subject to the provisions of Section III of the Act and Section 22 (A) of Securities Contracts (Regulation) Act. 1956 the Board may at any time in their absolute discretion and without assigning any reasons decline to register any transfer of or transmission by operation of law of the right to a share, whether fully paid up or not and whether the transferee is a member of the company or not and may also decline to register any transfer of shares on which the company has a lien. Provided further that the registration of transfer shall not be refused on the ground of the transferor being alone or either jointly with any other person or person indebted to the company on any account except a lien on the shares.

b) If the Board refuses to register any transfer or transmission of right, they shall within one month from the date on which the instrument of transfer or the intimation of such transmission was delivered to the company send notice of the refusal to the transferees and the transferor or to the person giving intimation of such transmission, as the case may be.

c) In case of such refusal by the Board, the decision of the Board shall be subject of the right of appeal conferred by section III of the Act and Section 22 (A) of Securities Contracts (Regulation) Act, 1956.

e) The provisions of this clause shall apply to transfers of stock also.

36. **Further right of Board of Directors to refuse to register**

The Board of Directors may also decline to recognize any instrument of transfer unless:

i) The instrument of transfer is accompanied by the certificate of shares to which it relates and such other evidence as the Board of Directors may reasonably require to show the right of transferor to make the transfer; and

ii) The instrument of transfer is in respect of only one class of shares.

37. **Endorsement of transfer and issue of certificate**

a) Every endorsement upon the certificate of any share in favor of any transferee shall be signed by the Managing Director or by some other person for the time being duly authorized by the Board of Directors in this behalf. IN case any transferee of a share shall apply for a new certificate in lieu of the old or existing certificate he shall be entitled to receive a new certificate in respect of which the said transfer has been applied for and upon his delivering up to cancel every old or existing certificate which is to be replaced by a new one.

b) Notwithstanding any other provisions to the contrary in these presents, no fee shall be charged for any of the following viz.

i) for registration of transfer of shares and debentures or for transmission of shares and debentures;

ii) for sub-division and consolation of shares and debentures, certificates and for sub-division of letter of allotment and spilt, consolidation, renewal and pucca transfer receipts into denomination corresponding to the market units of trading.

iii) for sub-division of renounce able Letters of Rights

iv) for issue of certificates in replacement of those which are old decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilized

v) for registration of any power of attorney, probate, letters of administration or similar other documents.

38. **Register of Member**

The company shall keep a book to be called the "Register of Members" and therein shall be entered the particulars of every transfer of transmission of any shares and all other particulars of shares required by the Act to be entered in such register.

40. **Closure of Register of Members**

The Board of Directors may after giving not less than 15 days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the company is situated close the Register or Member or the Register of Debenture holder for any period or periods not exceeding in the aggregate 30 days in each calendar year but not exceeding 15 days

41. **Transmission of Registered Shares**

a) The executors or administrators of a deceased member (not being one of several joint holders) shall be the only person recognized by the company, as having any title to the shares registered in the name of such member and in the case of death of any one or more of the joint holders of any registered shares, the survivors shall be only persons recognized by the company as having any title to or interest in such shares.

Provided that if the member should have been a member of a Joint Hindu Family the Board on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonging to the joint family may recognize the survivors or the kartha thereof as having title to the shares registered in the name of such member, provided further in any case it shall be lawful for the Board in their absolute discretion to dispense with the production of probate or letter of administration or other legal representation upon such terms as to indemnity or otherwise as to he Board may deem just.

b) Nothing in Clause (1) shall release the estate of a deceased joint holder from any liability in respect of any shares which were jointly held by him with other persons.

42. **Rights and liabilities of legal representatives**

a) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the board and subject as hereinafter provided elect either:

i) To be registered himself as holder of the shares; or

ii) To make such transfer of the shares as the deceased or insolvent member could have made.

b) The Board shall, in either case, have the same right to decline or suspend registration as they would have had, if the deceased or insolvent member had transferred the shares before his death or insolvency.

44. **If call or instalment not paid notice may be given**

If a member fails to pay any call or instalment of a call on the day appointed for the payment thereof, the Board of Directors may at any time thereafter during such time as any part of such a call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as remains unpaid, together with any interest, which may have accrued.

45. **Form of notice of forfeiture**

The notice shall name a further day (not earlier than expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made and shall state that in the event of non-payment on or before the day named the shares in respect of which the call was made will be liable to be forfeited.

46. **Board's right to forfeit if requirements of notice are not complied with**

If the requirements of any such notice as aforementioned are not complied with any share in respect of which the notice has been given may at any time thereafter before the payment require by the notice has been made, be forfeited by a resolution of the Board of Directors to that effect.

47. **Share of forfeited shares**

A forfeited share may be sold or otherwise disposed of on such terms end in such manner as the Board of Directors may think fit and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board of Directors may think fit.

48. **Liability after forfeiture**

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding remain liable to pay and shall forthwith pay to the company all moneys which at the date of forfeiture were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company receives payment in full or the nominal amount of share.

49. **Declaration of forfeiture**

A duly verified declaration in writing that the declaring is a Director of the company and that a share in the company has been duly forfeited on that date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and that declaration and receipt of the company for the consideration given for the shares on the sale or disposition thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application or the purchase money not shall his title to the share be affected by way of any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

50. **Non payment of sum payable at fixed times**

The provisions of these Regulations as to forfeiture shall apply in the case of non payment of any sum which by the terms of issue of a share, become payable at a fixed time, whether an account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

61A **DEMATERIALISATION OF SECURTIES**

1 For the purpose of this Articles;- “Beneficial Owner” means a persons or persons whose name is recorded as such with depository; ”SEBI” means the Securities and Exchange Board of India”;

“Depository” means a company formed and registered under the Companies Act,1956 and which has been grated a certificate of registration to act as a depository under the Securities and Exchange Board of India Act,1992; and “ Securities” means such security as may be specified by the SEBI Board from time to time.

2 Notwithstanding anything contained in these Articles ,the Company shall be entitled to Dematerialize its securities and to offer securities in a dematerialize from pursuant to the Depositories Act,1996.

3 Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law; if permitted by 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 to securities.

If a person opts to hold his security with a depository the Company shall intimates such depository the details of allotment of the security ,and on receipt of the information, the depository shall enter in his record the name of the allotee as the beneficial owner the security.

4 All securities held by a depository shall be dematerialized and in a fungible form, .Nothing contained in Section 153,153A,187A,187H,187C and 372A of the Act shall apply to a depository in respect of the securities held by its on behalf of the beneficial owners.

5 a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held of it.

c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company .The beneficial owner of the securities shall be entitled to all rights and benefits and subject to all the liabilities in respect of his securities which are held by a depository.

6 Notwithstanding anything contained in the Act or this articles in the contrary, where securities are held in a depository the records of the beneficial ownership may be served by such depository on the Company by the means of electronic mode or by delivery of floppies or discs.

7 Nothing contained in section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor or transferee both of whom are entered as beneficial owners on the record of a depository.

8 Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository immediately on allotment of such securities.

9 Nothing contained in the Act or these articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

10 The Registrar and issue of beneficial owners maintained by a depository under the Depository Act, 1996, shall be deemed to be the Register and Index of members and Security holders for these articles.”

62. **Annual General Meeting**

The company shall in addition to other meetings hold a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions specified below :-

a) The first Annual General Meeting of the company shall be held within eighteen month of its incorporation subject to Section 210 (3) of the Act.

b) Thereafter an Annual General Meeting of the company shall be held once in every calendar year within 6 months after the expiry of each financial year, subject, however, to the power of the Register of Companies to extend the time within which such a meeting can be held for a period not exceeding 3 months and subject thereto not more than fifteen months shall elapse from the date of one annual general meeting and that of the next.

c) Every annual meeting shall be called for at a time during the business hours on a day that is not public holiday and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated.

d) Notice calling such meetings shall specify them as the annual general meetings.

e) All other meetings shall be referred to as extra-ordinary general meetings.

63. **Extra-ordinary General Meetings**

The Board of Directors may whenever think fit, convene an Extra-ordinary General Meeting at such time and at such place as they deem fit. Subject to such directors, if any given by the Board, the Managing Director or the secretary may convene an Extra-Ordinary General Meeting.

64. Extra-Ordinary General Meeting by requisition

a) The Board of Directors shall on the requisition of such number of members of the company as is specified below proceed duly to call on extra-ordinary general meeting of the company with the provisions of the act in relation to meetings on requisition.

b) The requisition shall set out matters for consideration of which they meeting is to be called shall be signed by the requisitions and shall be deposited at the registered office of the company or send to the company by registered post addressed to be company at its registered office.

c) The requisition may consist of several documents in like form, each signed by one or more requisitions.

d) The number of members entitled to requisition a meeting with regard to any matter shall be such number of them as held at the date of the deposit or dispatch to the registered office of the requisition, not less than $1/10^{th}$ of such of the paid up capital of the company as at that date carries the right of voting in regards to the matter set out in requisition.

e) If the Board of Directors do not, within twenty-one days from the date of deposit of requisition with regard to any matters, proceed duly to call a meeting for the consideration of those matters on a date not later than forty five days from the date of the deposit of the requisition the meeting may be called by the requisitions as represent either majority in value of the paid up share capital held by all of them or of not less than $1/10^{th}$ of such paid up capital of the company as is referred to in sub clause (d) above.

65. **Length of notice of calling meeting**

A general meeting of the company may be called by giving not less than 21 day's notice in writing, provided that a general meeting may be called after giving shorter notice it consent thereto is accorded in the case of the annual general meeting by all the members, in any other case by members of the company holding not less than 95% of that part of the paid up share capital which gives the right to vote on the matters to be considered to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for 5the purpose of this Article in respect of the former resolution or resolutions and not in respect of the latter.

66. **Accidental omission to give notice not to invalidate meeting.**

The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of, or any resolution passed at such meeting.

67. **Special Business**

a) All business shall be deemed special that is transacted at an Extra-Ordinary General Meeting and also that is transacted at the Annual General meeting with the exception of business relating to :-

   i) The consideration of the accounts, Balance Sheet, Report of the Directors and Auditors:
   ii) The declaration of dividend
   iii) The appointment of directors in the place of those retiring, and
   iv) The appointment and fixing of the remuneration of the Auditors

b) Where any item of business to be transacted at the meeting are deemed to be special as aforesaid there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such items\ of business, including in particular the nature of the concern or interest if any therein of every director and the managing director, if any, where any item of business consists of the according of approval to any document in place at which and the time during which such a document can be inspected shall be specified in the statement aforesaid.

Provided that where any item of special business as aforesaid is to be transacted at the meeting of the company relates to or affects any other company of every director and the managing director of the company shall also be set out in the statement if the extent of such share holding interest is not less than 20% of the paid up share capital of that other company.

68. **Quorum**

Five members personally present shall be a quorum for a general meeting and no business shall be transacted at any general meeting unless that requisite quorum is present at the commencement at the business.

69. **If quorum not present when the meeting to be dissolved and when to be adjourned.**

If within half an hour from the time appointed for the meeting a quorum is not present the meeting if called upon by the requisition of the members shall be dissolved in any other case it shall stand adjourned to the same day in the next week at the same time and place or such other day and at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.

72. **Adjournment of Meeting**

The Chairman may, with the consent of any meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn that 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. When a meeting is adjourned for thirty days or more notice of the adjourned meeting. Save as aforesaid, it shall not be necessary to give any notice if adjournment or of the business to be transacted at an adjourned meeting.

77. **Voting right of members**

a) Every member holding any equity shares shall have a right to vote in respect of such shares on every resolution placed before the meeting. On a show of hands every such member present in person shall have one vote. On a poll, his voting right in respect on his equity shares shall be in proportion to his share of the paid up capital in respect of the equity shares.

b) In the event of the company issuing any performance shares the holders of such preference shares shall have the voting rights set out in that behalf in Section 87 of the Act.

79. **Voting rights of Joint Holders**

In the case of joint holders the vote of the first named of such joint holders who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

80. **Qualification of Joint Holders**

A member or unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee or other legal guardian may, on a poll, vote by proxy.

81. **No member entitled to vote while call due to Company**

No member shall be entitled to vote in any general meeting unless all calls or other sums presently payable by him in respect of his shares in the company have been paid.

82. **Proxies permitted on Poll**

On a poll, votes may be given either personally or by proxy.

83. **Proxies**

Any member entitled to attend and vote at a meeting of the company shall be entitled to appoint any person whether a member or not as his proxy to attend and vote instead of himself, but the proxy so appointed shall not unless he be a member have any right to speak at the meeting and shall not be entitled to vote except on a poll.

84. **Instrument of Proxy**

a) The instrument appointing a proxy shall be in writing under the hand of the appointed or of his attorney duly authorized in writing or if the appointed is a Corporation either under the common seal or under the hand of an office of attorney so authorized. Any person may act as proxy whether he is a member or not.

b) Corporate body (whether a company within the meaning of the Act or not) may, if it is a member or a creditor or a debenture holder of the company, by the resolution of its Board of Directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company or at any meeting of the creditors of the company held in pursuance of the provisions contained in any debenture of trust deed as the case may be. The person so authorized by resolution as aforesaid shall be entitled to exercise the same rights and power s(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, creditor or holder of debentures of the company.

c) So as an authorization under clause (b) above is in force, the power to appoint proxy shall be exercised only by the person so appointed as representative.

85. **Proxy to be deposited at the office**

The instrument appointing a proxy and the power of attorney if any, under which it is signed or a neutral certified copy of that power of authority, shall be deposited at the registered office of the company not less than 48 hours before the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than 24 hours before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid.

86. **Validity of vote by Proxy**

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of the principal or the revocation proxy of or transfer of shares in respect of which the proxy is given. Provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the company before the commencement of the meeting or adjourned meeting at which the proxy is used.

87. Every instrument appointing a proxy shall be retained by the company and shall be in either of the former specified in Schedule IX of the Act or a form as near there to as circumstances will admit.

119. **Borrowing**

1. The Board of Directors may from time to time but with such consent of the company in General Meeting as may be required Under Section 293 raise any moneys or sums of money for the purpose of the Company, provided that the moneys to be borrowed by the company apart from temporary loans obtained from the company's bankers in the ordinary course of business shall not without the sanction of the company at the general meeting 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 and in particular, but subject to the provisions of the Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the company by the issue of debentures, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities and in security of any such money so borrowed, raised or received mortgage, pledge or charge the whole or any part of the property, assets or revenue of the company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

2. The Directors may be a resolution at a meeting of the Board delegate the above powers to borrow money otherwise than or debentures to a committee of directors or the managing director if any within the limits prescribed.

3. Subject to the provision of the above sub-clause, the directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the company, at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular by promissory notes or by opening current accounts or by receiving deposits and advances with or without security, or by the issue of bonds, perpetual or redeemable debentures or debenture-stock of the company (both present and future) including its uncalled capital for the time being, or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the company, or by such other means as to them may seem expedient.

146. **Capitalization of Profit**

1. The company in general meeting may on recommendation of the board, resolve:

   a) That it is desirable to capitalize any part of the amount for the time being standing to the credit of the company's reserve accounts of he credit of the Profit and Loss accounts or otherwise available for distribution; and

   b) That such sum be accordingly set free for distribution in the manner specified in sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in sub-clause (3) either in or towards:

   i) Paying up any amounts for the time being unpaid on shares held by such members respectively.

   ii) Paying up in full, un issued shares of the company to be allotted and distributed, credited is fully paid up to and amongst such members in the proportions aforesaid, or

   iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii)

3. A share premium account and a capital redemption reserve account may for the purpose of this regulation only, be applied in paying up of un issued shares to be issued to members of the company as fully paid bonus shares.

4. The Board shall give effect to the resolutions passed by the company in pursuance of this regulations.

171. **Secrecy**

No member shall be entitled to inspect the company's works without the permission of the director, or managing director, or to require discovery of or any information respecting any detail of the company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process which may relate to the conduct of the business of the company and which in the opinion of the directors it will be inexpedient in the interests of the company to communicate to the public.

172. **Duties of officers to observe secrecy**

Every director, Managing director, manager, secretary, auditor, trustee, members of a committee, officer, servant, agent, accountant or other person employed in the business of the company, shall if so required by the directors before entering upon his duties, of at any time during his term of offices sign declaration pledging himself to observe strict secrecy respecting all transactions of the company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the directors or any general meeting or by a Court of Law or by the person to whom such powers was given.

SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Draft Red Herring Prospectus, have been delivered to the Registrar of Companies, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company, from 10.00 a.m. to 4.00 p.m. on any working day from the date of the Draft Red Herring Prospectus until the date of closing of the Issue.

Material Contracts

1. Memorandum of Understanding, dated 06.03.2007 signed between the Company and Allbank Finance Limited, the Book Running Lead Manager to the Issue.
2. Memorandum of Understanding, dated 21.02.2006 signed between the Company and Allianz Securities Limited, the Co- Book Running Lead Manager to the Issue
3. Memorandum of Understanding, dated 28.12.2006 signed between the Company and Canara Bank, the Co-Book Running Lead Manager to the Issue
4. Memorandum of Understanding dated May 18, 2006 signed between the Company and Intime Spectrum Registry Limited, the Registrar to the Issue.
5. Escrow Agreement dated **[●]** between our company, BRLM, Escrow Collection Bank and the Registrar;
6. Syndicate Agreement dated **[●]** between our company, BRLM and the Syndicate Members;
7. Underwriting Agreement dated **[●]** between our company, BRLM and the Syndicate Members;
8. Copy of the Tri-partite Agreement dated [●] between NSDL, the Company and Intime Spectrum Registry Limited.
9. Copy of the Tri-partite Agreement dated [●] between CDSL, the Company and Intime Spectrum Registry Limited.

Documents for Inspection

1. Memorandum and Articles of Association of Niraj Cement Structurals Limited as amended from time to time.
2. Certificate of Incorporation of Niraj Cement Structurals Limited dated April 1, 1998.
3. Copy of Special resolution passed at AGM dated September 30, 2006 u/s 81 (1A) authorizing the Issue of Equity Shares.
4. Copies of letters to BSE & NSE regarding In-principle approval for Listing.
5. Copies of In-principle approvals from BSE & NSE dated [●] and dated [●] respectively.
6. Copies of Auditors Reports issued by Statutory Auditors of the Company Ajay B. Garg, Chartered Accountants, dated March 30, 2007.
7. Copy of Tax Benefits Certificate issued by Statutory Auditors of the Company Ajay B. Garg, Chartered Accountants, dated March 30, 2007.
8. Copy of letter dated March 30, 2007 from Legal Advisors for the vetting and approval of the Draft Red Herring Prospectus.
9. Copies of quotation obtained and purchase orders placed for plant and machinery.

10. Consent letters from Promoters, Directors, Book Running Lead Manager to the Issue, Co- Book Running Lead Manager to the Issue, Escrow Collection Bankers to the Issue, Bankers to the Company, Auditors, Legal Advisors to the Issue, Registrar to the Issue, Monitoring Agency, Syndicate Members, Company Secretary & Compliance Officer to act in their respective capacities and for inclusion of their names in the Draft Red Herring Prospectus.
11. Copies of Annual Reports of the Company for the last 5 accounting periods i.e. FY 2002, FY 2003, FY 2004, FY 2005, FY 2006 and for the period ended on 31.12.2006.
12. Copies of Annual Reports of the Group Companies / Joint ventures viz. Asha Trading Company, Mugtangan Developers Private Limited and Prakash Construction Niraj Structurals'
13. Due Diligence Certificate dated April 02, 2007 issued by Book Running Lead Manager to the Issue, Allbank Finance Limited.
14. A copy of the SEBI Observation letter no. [●] dated [●], 2006 received from SEBI, Mumbai in respect of the Issue.

Any of the contracts mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our company or if so required by other parties, without reference to the shareholders subject to compliance with the applicable laws.

SECTION XII - DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by 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, 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 fair.

Signed by the Directors of Issuer Company		
Mr. Vijay K. Chopra	*Chairman and Managing Director*	
Mr. Gulshan V. Chopra	*Director*	
Dr. B. Samal	*Director*	
Mr. G. R. Kamat	*Director*	
Signed By General Manager – Finance And Compliance Officer		
Mr. Soni Agarwal		
Signed by Company Secretary		
Ms. Dipti Gupta		

Date: (**)

Place: Mumbai