RED HERRING PROSPECTUS
Dated September 19, 2007
Please read Section 60B of the Companies Act, 1956
100% Book Built Issue

Maytas Infra Limited

(The Company was incorporated as Satyam Constructions Private Limited on May 6, 1988 under the Companies Act, 1956, as amended (the "Companies Act"). It became a deemed public company with effect from July 1, 1993 under Section 43A(1A) of the Companies Act, and the word "private" was deleted from its name. The name of the Company was changed to "Maytas Infra Limited" pursuant to a special resolution of the shareholders of the Company at an extraordinary general meeting held on May 6, 1998. The fresh certificate of incorporation consequent upon the change of name was granted on June 1, 1998 by the Registrar of Companies, Andhra Pradesh, located at Hyderabad (the "RoC"). The Company became a private limited company on May 7, 2002 pursuant to Section 43A(2A) of the Companies Act and the word "private" was added to its name. Subsequently, pursuant to a special resolution of the shareholders of the Company at an extraordinary general meeting held on December 30, 2006, the Company has become a public limited company and the word "private" has been deleted from its name. The certificate of incorporation to reflect the new name was issued on February 9, 2007, by the RoC. For details of changes in the registered office, see the section "History and Certain Corporate Matters" beginning on page 116 of this Red Herring Prospectus).

Registered Office: 6-3-1186/5/A, III Floor, Amogh Plaza, Begumpet, Hyderabad – 500 016, India
Telephone: +91 40 2340 8100, +91 40 4003 7800, +91 40 4040 9333; **Facsimile**: +91 40 2340 1107
Contact Person: J. Veerraju; Tel: +91 40 2340 8100, +91 40 4003 7800, +91 40 4040 9333; **Email**: cs@maytasinfra.com
Website: www.maytasinfra.com

PUBLIC ISSUE OF 8,850,000 EQUITY SHARES OF RS. 10 EACH ("EQUITY SHARES") OF MAYTAS INFRA LIMITED ("MAYTAS INFRA", OR THE "COMPANY", OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] MILLION, REFERRED TO HEREIN AS THE "ISSUE". THE ISSUE WILL CONSTITUTE 15.04% OF THE FULLY DILUTED POST-ISSUE EQUITY SHARE CAPITAL OF THE COMPANY.

PRICE BAND: RS. 320 TO RS. 370 PER EQUITY SHARE OF FACE VALUE RS. 10 EACH.

THE ISSUE PRICE IS 32 TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 37 TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.

In case of revision in the Price Band, the Bidding Period shall be extended for three additional working days after such revision, subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited (the "BSE") and the National Stock Exchange of India Limited (the "NSE"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Managers ("BRLMs"), the Co-Book Running Lead Manager ("CBRLM") and the terminals of the other members of the Syndicate.

Pursuant to Rule 19(2)(b) of the SCRR (as defined below), this Issue is for less than 25% of the post Issue share capital and is therefore being made through a 100% Book Building Process (as defined below) wherein at least 60% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In addition, in accordance with Rule 19(2)(b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Issue shall aggregate to at least Rs. 1,000 million. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

The Company has not opted for the grading of this Issue from any rating agency.

RISKS IN RELATION TO FIRST ISSUE

This being the first issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs. 10 per Equity Share and the Issue Price is [●] times the face value. The Issue Price (as determined by the Company, in consultation with the BRLMs and the CBRLM, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process) 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 RISKS

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

COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. The Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated May 17, 2007 and May 21, 2007, respectively. For the purposes of the Issue, the BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS		CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
DSP Merrill Lynch	JM FINANCIAL	kotak Investment Banking	KARVY Karvy Computershare Private Limited
DSP MERRILL LYNCH LIMITED Mafatlal Centre, 10th Floor Nariman Point, Mumbai – 400 021, India Tel: +91 22 2262 1071 Fax: +91 22 2262 1187 Email: maytasinfra_ipo@ml.com Contact Person: N.S. Shekhar Website: www.dspml.com SEBI registration number: INM000002236	**JM FINANCIAL CONSULTANTS PRIVATE LIMITED** 141, Maker Chambers III Nariman Point, Mumbai – 400 021, India Tel: +91 22 6630 3030 Fax:+91 22 2204 7185 Email:maytasinfra.ipo@jmfinancial.in Contact Person: Poonam Karande Website: www.jmfinancial.in SEBI registration number: INM000010361	**KOTAK MAHINDRA CAPITAL COMPANY LIMITED** 3rd Floor, Bakhtawar 229 Nariman Point, Mumbai - 400 021, India Tel: +91 22 6634 1100 Fax: +91 22 2284 0492 Email: maytasinfra.ipo@kotak.com Contact Person: Chandrakant Bhole Website: www.kotak.com SEBI registration number: INM000008704	**KARVY COMPUTERSHARE PRIVATE LIMITED** "Karvy House", 46, Avenue 4 Street No.1, Banjara Hills Hyderabad – 500 034, India Tel: +91 40 2331 2454 Fax: +91 40 2331 1968 Email: maytasipo@karvy.com Contact Person: Murli Krishna Website: www.karvy.com SEBI registration number: INR000000221

BID / ISSUE PROGRAM	
BID/ISSUE OPENING ON : THURSDAY, SEPTEMBER 27, 2007	**BID/ISSUE CLOSING ON : THURSDAY, OCTOBER 04, 2007**

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the following meanings in this Red Herring Prospectus.

Company Related Terms

Term	**Description**
The "Company", the "Issuer" or "Maytas Infra"	Unless the context otherwise requires or implies, Maytas Infra Limited, a public limited company incorporated under the Companies Act.
"we" or "us" or "our" or "Group"	Unless the context otherwise requires or implies, Maytas Infra Limited, together with its Subsidiaries, Joint Ventures, Associates and Gautami Power, as described in this Red Herring Prospectus.
AP Prakash Shipping	AP Prakash Shipping Company Pte. Ltd., a company incorporated under the laws of the Republic of Singapore
Articles/Articles of Association	The articles of association of the Company, as amended.
Associates	Brindavan Infrastructure, Western UP Tollway, Bangalore Elevated Tollway, KVK Nilachal Power, SV Power, Himachal Sorang Power, KVK Infrastructure, Pondicherry-Tindivanam Tollway, Dhabi Maytas, Cyberabad Expressways and Hyderabad Expressways.
Auditors	S.R. Batliboi & Associates, Chartered Accountants and Krishna & Prasad, Chartered Accountants.
Bangalore Elevated Tollway/ BETL	Bangalore Elevated Tollway Limited, a company incorporated under the Companies Act and an Associate of the Company.
Board of Directors/Board	The board of directors of the Company, as constituted from time to time, or a committee thereof.
Brindavan Infrastructure	Brindavan Infrastructure Company Limited, a company incorporated under the Companies Act and an Associate of the Company.
Cyberabad Expressways	Cyberabad Expressways Private Limited, a company incorporated under the Companies Act and an Associate of the Company.
Dhabi Maytas	Dhabi Maytas Contracting LLC, a company incorporated under the laws of United Arab Emirates and an Associate of the Company.
Director(s)	The director(s) on the Board of the Company, as appointed from time to time.
ESOP 2007	The Company's Employee Stock Option Scheme 2007.
Gautami Power	Gautami Power Limited, a company in which the Issuer holds 19.2% participation interest as of the date of this Red Herring Prospectus.
Himachal Sorang Power	Himachal Sorang Power Private Limited, a company incorporated under the Companies Act and an Associate of the Company.
Hyderabad Expressways	Hyderabad Expressways Private Limited, a company incorporated under the Companies Act and an Associate of the Company.

Term	Description
Infratrade FZE	Infratrade FZE, an entity incorporated in Ras Al Khaimah, the United Arab Emirates, in the Ras Al Khaimah Free Trade Zone as a Free Zone Establishment with limited liability and a Subsidiary of the Company.
Joint Ventures	NCC-Maytas JV, Pocharam; NEC-NCC-Maytas JV; Himachal JV; Maytas-SNC JV; Maytas-Shankaranarayana JV; Maytas-NCC JV; and NCC-Maytas JV, Manavi.
KVK Infrastructure	KVK Power & Infrastructure Private Limited, a company incorporated under the Companies Act and an Associate of the Company.
KVK Nilachal Power	KVK Nilachal Power Private Limited, a company incorporated under the Companies Act and an Associate of the Company.
Maytas Singapore Holding	Maytas (Singapore) Holding Pte. Ltd., a company incorporated under the laws of the Republic of Singapore and a Subsidiary of the Company.
Memorandum/ Memorandum of Association	The memorandum of association of the Company, as amended.
Orderbook	Revenues from projects (i) awarded to us on a prior date and in respect of which we entered into signed agreements or have letters of award or work orders and (ii) for which we have commenced work but not recognized revenue under the percentage of completion method or for which work had not yet commenced.
Pondicherry-Tindivanam Tollway	Pondicherry-Tindivanam Tollway Limited, a company incorporated under the Companies Act and an Associate of the Company.
Promoters	B. Teja Raju, SNR Investments Private Limited and Veeyes Investments Private Limited.
Promoter Group or Promoter Group Companies	The companies or individuals referred to in the section "Our Promoters and Promoter Group Companies" beginning on page 167 of this Red Herring Prospectus.
Registered Office	The registered office of the Company, which is 6-3-1186/5/A, III Floor, Amogh Plaza, Begumpet, Hyderabad – 500 016, India.
SEBI ESOP Guidelines	The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.
Subsidiaries	Maytas Singapore Holding and Infratrade FZE.
SV Power	SV Power Private Limited, a company incorporated under the Companies Act and an Associate of the Company.
Western UP Tollway	Western UP Tollway Limited, a company incorporated under the Companies Act and an Associate of the Company.

Issue Related Terms

Term	Description
Allot/Allotment/Allotted/ allotment/allotted/ Allocated/ allocated/ allocation	Unless the context otherwise requires or implies, the issue/allotment of Equity Shares pursuant to the Issue.
Allottee	A successful Bidder to whom Equity Shares are/have been Allotted.
Banker(s) to the Issue	BNP Paribas, Citibank N.A., HDFC Bank Limited, ICICI Bank Limited, Kotak Mahindra Bank Limited and Standard Chartered Bank.
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe for or purchase the 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.
Bid-cum-Application Form	The form in terms of which the Bidder shall make an offer to subscribe for or purchase the Equity Shares and which will be considered as the application for Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form.
Bidding Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date (inclusive of both days) and during which prospective Bidders can submit their Bids including any revisions thereof.
Bid/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 a widely circulated English national newspaper, a widely circulated Hindi national newspaper and a widely circulated Telugu newspaper.
Bid/Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in a widely circulated English national newspaper, a widely circulated Hindi national newspaper and a widely circulated Telugu newspaper.
Book Building Process	The book building process as described in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made.
BRLMs/Book Running Lead Managers	DSP Merrill Lynch Limited and JM Financial Consultants Private Limited.
BSE	The Bombay Stock Exchange 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 after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
CDSL	Central Depository Services (India) Limited.
CBRLM/Co-Book Running Lead Manager	Co-Book Running Lead Manager to the Issue, in this case being KMCC.
Companies Act	The Companies Act, 1956, as amended.

Term	Description
Cut-off Price	Any price within the Price Band finalised by the Company, in consultation with the BRLMs and the CBRLM. A Bid submitted at the Cut-off Price by a Retail Individual Bidder is a valid Bid. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended.
Depository Participant/DP	A depository participant as defined under the Depositories Act.
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account of the Company to the Public Issue Account, after the Prospectus is filed with the RoC, following which the Board shall Allot Equity Shares to successful Bidders.
Designated Stock Exchange	The BSE.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated April 27, 2007 as filed with SEBI, which did not contain, *inter alia,* complete particulars of the price at which the Equity Shares are offered and the size of the Issue.
DSPML	DSP Merrill Lynch Limited.
ECS	Electronic Clearing System.
Eligible NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe for or purchase the Equity Shares pursuant to the terms of the Red Herring Prospectus.
Equity Shares	Equity shares of the Company of face value of Rs. 10 each, unless otherwise specified in the context thereof.
Escrow Account	An account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Margin Amount when submitting a Bid and the remainder of the Bid Amount, if any, collected thereafter.
Escrow Agreement	An agreement to be entered into among the Company, the Registrar, the Escrow Collection Bank(s), the BRLMs, the CBRLM and the Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks that are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account will be opened, comprising BNP Paribas, Citibank N.A., HDFC Bank Limited, ICICI Bank Limited, Kotak Mahindra Bank Limited and Standard Chartered Bank.
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder, as amended.
FII	Foreign Institutional Investors, as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended and registered with SEBI under applicable laws in India.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form.

Term	Description
Fiscal/fiscal/Financial Year/financial year/FY	A period of twelve months ended March 31 of that particular year, unless otherwise stated.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
FVCI	Foreign Venture Capital Investors, as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended.
GIR Number	General Index Register Number.
Indian GAAP	Generally accepted accounting principles in India.
Industrial Policy	The policy and guidelines relating to industrial activity in India issued by the Ministry of Commerce and Industry, Government of India, as updated, modified or amended from time to time.
Issue	The public issue of 8,850,000 Equity Shares.
Issue Price	The final price at which Equity Shares will be Allotted in the Issue, as determined by the Company, in consultation with the BRLMs and the CBRLM, on the Pricing Date.
JM Financial	JM Financial Consultants Private Limited.
KMCC	Kotak Mahindra Capital Company Limited.
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid, which may range between 10% and 100% of the Bid Amount.
MICR	Magnetic Ink Character Recognition.
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the QIB Portion, equal to a minimum of 265,500 Equity Shares, available for allocation to Mutual Funds from the QIB Portion.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and have bid for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of the Issue being not less than 10% of the Issue consisting of 885,000 Equity Shares, available for allocation to Non-Institutional Bidders.
Non-Residents/NRs	All eligible Bidders that are persons resident outside India, as defined under FEMA, including Eligible NRIs, FIIs and FVCIs.
NRI/Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA. OCBs are not permitted to invest in this Issue.

Term	Description
Pay-in Date	The Bid/Issue Closing Date with respect to the Bidders whose Margin Amount is 100% of the Bid Amount or the last date specified in the CAN sent to the Bidders with respect to the Bidders whose Margin Amount is less than 100% of the Bid Amount.
Pay-in Period	(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 Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN.
Price Band	The price band with a minimum price (Floor Price) of Rs. 320 per Equity Share and a maximum price (Cap Price) of Rs. 370 per Equity Share, including all revisions thereof.
Pricing Date	The date on which the Issue Price is finalised by the Company in consultation with the BRLMs and the CBRLM.
Prospectus	The prospectus to be filed with the RoC after the Pricing Date containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	The account opened with the Bankers to the Issue to receive money from the Escrow Account in relation to the Issue on the Designated Date.
QIBs or Qualified Institutional Buyers	As defined under the SEBI Guidelines to include public financial institutions as defined in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds, multilateral and bilateral development financial institutions, VCFs, FVCIs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 250.0 million and pension funds with a minimum corpus of Rs. 250.0 million.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that the QIBs are required to pay at the time of submitting a Bid.
QIB Portion	The portion of the Issue being at least 60% of the Issue consisting of 5,310,000 Equity Shares, to be allotted to QIBs on a proportionate basis.
Refund Account	The account opened with (an) Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made.
Registrar/Registrar to the Issue	Karvy Computershare Private Limited, having its registered office as indicated on the cover page.
Retail Individual Bidders	Bidders (including HUFs) who have bid for Equity Shares of an amount less than or equal to Rs. 100,000.
Retail Portion	The portion of the Issue being not less than 30% of the Issue consisting of 2,655,000 Equity Shares, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid price in any of their Bid-cum-Application Forms or any previous Revision Form(s).
RHP or Red Herring Prospectus	This Red Herring Prospectus issued in accordance with Section 60B of the Companies Act and the SEBI Guidelines, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will become a Prospectus upon filing with the RoC after the Pricing Date.

Term	Description
RoC	The Registrar of Companies, Andhra Pradesh, located at Hyderabad.
RTGS	Real Time Gross Settlement.
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI Guidelines	The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as amended.
Securities Act	The U.S. Securities Act of 1933, as amended.
Stock Exchanges	The BSE and the NSE.
Syndicate Agreement	The agreement to be entered into among the Company and the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Members	JM Financial Services Private Limited, Morgan Stanley India Company Private Limited and Kotak Securities Limited.
Syndicate or members of the Syndicate	The BRLMs, the CBRLM and the Syndicate Members.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
TRS or Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate to a Bidder as proof of registration of the Bid.
Underwriters	The BRLMs, the CBRLM and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into among the Underwriters and the Company on or after the Pricing Date.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended.

Other Abbreviations/Terms

Abbreviation	Full Form
AED	Arab Emirates Dirham.
AGM	Annual General Meeting.
Air Act	Air (Prevention and Control of Pollution) Act, 1981, as amended.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
CAGR	Compound Annual Growth Rate calculated in the RHP as follows: CAGR = $(Xf/Xi)^{1/3} - 1$, where Xf is the total revenue or profit after tax, as the case may be, in fiscal 2007 and Xi is the total revenue or profit after tax, as the case may be, in fiscal 2004.
DTR	Distribution Transformer.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share.
ESI	Employee's State Insurance.

Abbreviation	Full Form
ESIC	Employee's State Insurance Corporation.
ESOP	Employee Stock Option Plan.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment, as understood under applicable Indian regulations.
FIPB	The Foreign Investment Promotion Board of the Government of India.
GDP	Gross Domestic Product.
GoI/Government of India/ Government	The Government of India.
HUF	Hindu Undivided Family.
IFRS	International Financial Reporting Standards.
IPO	Initial Public Offering.
IRDA	The Insurance Regulatory and Development Authority constituted under the Insurance Regulatory and Development Authority Act, 1999, as amended.
I.T. Act	The Income Tax Act, 1961, as amended.
LIBOR	London Interbank Offered Rate.
N.A.	Not Applicable.
NAV	Net Asset Value.
NRE Account	Non-Resident External Account.
NRO Account	Non-Resident Ordinary Account.
p.a.	Per annum.
PAN	Permanent Account Number.
P/E Ratio	Price/Earnings Ratio.
PLR	Prime Lending Rate.
RBI	The Reserve Bank of India.
RoNW	Return on Net Worth.
Rs./Rupees	Indian Rupees.
SEZ	Special Economic Zone.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
U.S.	The United States of America.
Water Act	The Water (Prevention and Control of Pollution) Act, 1974, as amended.

Industry Related Terms

Term	Description
BOO	Build Own Operate.
BOQ	Bill of Quantities.
BOOT	Build Own Operate Transfer.
BOT	Build Operate Transfer.
COD	Commercial Operations Date.
EMD	Earnest Money Deposit.
EPC	Engineering, Procurement and Construction.
GESCOM	Gulbarga Electricity Supply Company Limited.
Km/km	Kilometre.
kWh	Kilowatt Hour.
LOI	Letter of Intent.
LSTK	Lump Sum Turn Key.
MCMD	Million Cubic Metres per Day.
MMSCMD	Million Metric Standard Cubic Meter per Day.
MMTPA	Million Metric Tonne Per Annum.
MW	Mega Watt.
O&M	Operations and Maintenance.
PLF	Plant Load Factor.
PPA	Power Purchase Agreement.
RFP	Request For Proposal.
RFQ	Request For Qualification.
ROB	Rail Over Bridge.
SPV	Special Purpose Vehicle.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless indicated otherwise, the financial data in this Red Herring Prospectus is derived from our restated unconsolidated financial statements, as of and for the years ended March 31, 2003, 2004, 2005, 2006 and 2007, prepared in accordance with generally accepted accounting principles followed in India ("Indian GAAP") and the Companies Act and restated in accordance with the SEBI Guidelines.

In the Red Herring Prospectus, we have also included restated consolidated financial statements and audited consolidated financial statements of the Company as of and for the year ended March 31, 2007, which have been prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Guidelines. Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to the 12-month period ended March 31 of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP, generally accepted accounting principles in the United States ("U.S. GAAP") and International Financial Reporting Standards ("IFRS"); accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. The Company has not attempted to quantify those differences or their impact on the financial data included herein, and you should consult your own advisors regarding such differences and their impact on our financial data. For more information on these differences, see the section "Summary of Significant Differences Among Indian GAAP, U.S. GAAP and IFRS" beginning on page 239 of this Red Herring Prospectus.

In this Red Herring Prospectus, unless otherwise specified or the context otherwise requires, all references to "India" are to the Republic of India and all references to the "Government" are to the Government of India. All references to the "USA", the "United States" or the "U.S." are to the United States of America, together with its territories and possessions.

Currency of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India.

Industry and Market Data

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

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

NOTICE TO INVESTORS

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, unless so registered, may not be offered or sold within the United States 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 being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act; such term does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Red Herring Prospectus as "QIBs") in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

This Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("EEA"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council and includes any relevant implementing measure in each Relevant Member State (as defined below). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Red Herring Prospectus should only do so in circumstances in which no obligation arises for the Company or any of the Underwriters to produce a prospectus for such offer. Neither the Company nor the Underwriters have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Underwriters which constitute the final placement of Equity Shares contemplated in this Red Herring Prospectus.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "potential", "plan", "contemplate", "seek to", "future", "objective", "goal", "may", "project", "should", "will pursue" and similar expressions or variations of such expressions.

Similarly, statements that describe our objectives, strategies, plans or goals are also forward-looking statements. These forward looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations, and our future financial condition and results of operations. These factors include, but are not limited to:

- substantial reliance on Government-owned and Government-controlled entities for revenue;
- general economic and business conditions in India in general and the construction and infrastructure industries in particular;
- the ability to successfully implement our strategy and our growth and expansion plans;
- changes in the value of the Rupee and other currency changes;
- changes in laws and regulations that apply to our customers, suppliers, and the infrastructure development and construction industry;
- increasing competition in and the conditions of our customers, suppliers and the infrastructure development and construction industry; and
- changes in political conditions in India.

For a further discussion of factors that could cause our actual results or performance to differ, see the sections "Risk Factors", "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages xiii, 59 and 213, respectively, of this Red Herring Prospectus. 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 Underwriter, nor any of their respective affiliates or associates 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, the Company, the BRLMs and the CBRLM will ensure that investors in India are informed of material developments until such time as the grant of the final listing and trading permissions by the Stock Exchanges for the Equity Shares Allotted pursuant to the Issue.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in the Company's Equity Shares involves a high degree of risk. You should consider the following risks and uncertainties and all information in this Red Herring Prospectus before deciding to invest in the Company's Equity Shares. If any of the following risks or uncertainties discussed in this Red Herring Prospectus occur, the Company's business, prospects, financial condition, and results of operations could suffer, the trading price of the Company's Equity Shares could decline, and you may lose all or part of your investment.

This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. The Company's results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus.

In this section, a reference to the "Company" means Maytas Infra Limited. Unless the context otherwise requires, references to "we", "us", or "our" refers to Maytas Infra Limited, its Subsidiaries, its Joint Ventures, its Associates, and Gautami Power Limited, taken as a whole.

Also, a reference to "Project SPV" means Brindavan Infrastructure Company Limited ("Brindavan Infrastructure"), Western UP Tollway Limited ("Western UP Tollway"), Bangalore Elevated Tollway Limited ("Bangalore Elevated Tollway"), KVK Nilachal Power Private Limited ("KVK Nilachal Power"), SV Power Private Limited ("SV Power"), Himachal Sorang Power Private Limited ("Himachal Sorang Power"), Pondicherry-Tindivanam Tollway Limited ("Pondicherry-Tindivanam Tollway"), Vajra Seaport Private Limited ("Vajra Seaport"), Hyderabad Expressways Private Limited ("Hyderabad Expressways"), Cyberabad Expressways Private Limited ("Cyberabad Expressways"), Gautami Power Limited ("Gautami Power"), and any company to be formed for the purpose of carrying out our infrastructure development business.

Risks Related to our Construction Business and our Infrastructure Development Business

1. ***The joint auditors have qualified their opinion on the consolidated financial statements of the Company and its subsidiaries as at and for the fiscal year ended March 31, 2007; we expect the qualification to continue in the foreseeable future.***

   The qualification relates to a difference of opinion between the Company and the joint auditors over the accounting treatment for the Company's investment in each of its Associates which, with one exception, are the Project SPVs through which the Company carries out its infrastructure development business. In preparing the consolidated financial statements for the fiscal year ended March 31, 2007, the Company applied the equity method of accounting under Accounting Standard AS-23 to its investments in these Associates. The joint auditors, however, believe that the "jointly controlled entity" method of accounting under Accounting Standard AS-27 is more appropriate. The difference of opinion is whether the Company's contractual arrangements with co-sponsors of the Project SPVs result in a "significant interest" (but not "joint control") triggering equity accounting under AS-23, or, whether these contractual arrangements, as the joint auditors believe, result in "joint control" triggering jointly controlled entity accounting under AS-27. Unless the Company changes its position, the Company expects to receive qualified audit opinions on its financial statements in the foreseeable future.

   If the Associates were accounted for as jointly controlled entities, the Company's consolidated debt and other liabilities would significantly increase due to consolidation of debt and other liabilities at the Project SPV level, which may adversely impact the Company's ability to borrow on commercially reasonable terms, if at all, and its ability to meet the financial covenants under its loan agreements, and increase its financing costs. See also "—Risks Related to the Company – 43. We have substantial indebtedness and will continue to have substantial indebtedness and service obligations following the Issue." If the Associates were accounted for as jointly controlled entities, while there is an impact on the consolidated balance sheet of the Company as described above, there is no significant impact on the reported consolidated profit of the Company. See the section "Financial Information" beginning on page F-1 of this Red Herring Prospectus.

While, in accordance with the SEBI Guidelines, the Company has included in this Red Herring Prospectus restated consolidated financial statements for the fiscal year ended March 31, 2007 showing the consolidated financial position and results of operations of the Company had effect been given to AS-27, going forward the Company will only be required to provide to its shareholders consolidated financial statements prepared under AS-23 and not AS-27.

In addition, although not a qualification, the joint auditors' report notes that the Company has not made adjustments to its consolidated financial statements relating to its share of income from certain claims and non-accrual of interest expense from one of its construction business joint ventures. Such claims and non-accrual of interest expense were on account of losses incurred by the joint venture due to bad geological strata encountered by the joint venture.

For details, see the section "Management's Discussion and Analysis of Financial Condition and Results of Operations - Qualified Audit Report for fiscal 2007."

2. ***We rely on government entities for substantially all of our revenues. Policy changes may result in projects being restructured and political or financial pressures could cause government entities to force us to restructure projects or delay their payment to us on time.***

Our business is dependent on infrastructure projects undertaken by government entities and funded by governments or international and multi-lateral development finance institutions. Contracts awarded by the GoI and state government entities have historically accounted, and we expect in the short- to medium-term will continue to account, for substantially all of the Company's revenue. For example, for the fiscal year ended March 31, 2007, 48.4% and 29.5% of the Company's revenue on an unconsolidated basis was derived from construction contracts in the irrigation and roads sectors, respectively. There can be no assurance that the GoI or state governments will continue to place emphasis on the irrigation and roads sectors. If there is any change in the government, budgetary allocations by governments for infrastructure development, or downturn in available work in a particular sector as a result of shifts in government policies or priorities, our financial results and business prospects may be adversely affected.

Irrigation contracts and, to a lesser extent, road contracts and our infrastructure development BOT/BOOT projects, can become politicised as the government is often responsible for facilitating the acquisition or lease of private land or securing rights of way over private land. Consequently, a contract or a project may be at risk of being derailed, or, as has been the case in the past, delayed. For example, in the Machilipatnam port project, the Government of Andhra Pradesh has after awarding the development of the deep water port to the Company and its co-sponsors, requested the consortium to change the location of the deep water port from the locations proposed in the consortium's bid, thereby delaying the development of the project and increasing the project's costs. In our construction business, government delays may result in cost increases in the price of construction materials from original estimates which cannot generally be passed on to clients and may also adversely affect the Company's ability to mobilise equipment and labour due to overlapping commitments. For BOT/BOOT projects, government delays may delay financial closure within the prescribed time limits, delay locking in an interest rate under loan agreements, or compliance with prescribed time limits for achieving the scheduled completion date specified in project documents.

Changes in government policies can result, and have in the past resulted, in projects being restructured after the project has been awarded by the government in ways we did not intend or envisage and lead to delays and unforeseen consequences. For example, because of overtures by the Government of Andhra Pradesh, we merged our two naphtha based power station projects with a naphtha based power station project awarded to Nagarjuna Construction Company and also switched fuel from naphtha to natural gas to form the Gautami natural gas power station project.

There may be delays associated with collection of receivables from government entities. Our construction business involves significant working capital requirements and delayed collection of receivables could adversely affect the Company's liquidity and financial results. Similarly, for our annuity BOT road projects and BOT/BOOT power projects, delayed collection of receivables by the relevant Project SPVs from government entities could result in the Project SPV having difficulty meeting scheduled debt service payments. Failure by our Project SPVs to make timely payments could result in a loss on the Company's investment in these Project SPVs if lenders trigger enforcement of their security under the financing agreements due to a Project SPV payment default.

3. ***We face margin pressure as a significant number of our infrastructure-related contracts and projects are awarded by the GoI and state governments through competitive bidding processes.***

Most infrastructure-related contracts and infrastructure development BOT/BOOT projects are awarded by government entities through competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. Once prospective bidders clear the technical requirements of the tender, the contract is usually awarded to the most competitive financial bidder. We face competition from companies who may operate on a larger scale than us and so may be able to achieve better economies of scale than us. As a result, the Company's financial results and business prospects may be adversely affected.

Our margins on irrigation and road contracts are susceptible to decline, as contracts in these sectors are increasingly awarded by government entities to the lowest bidder, causing the Company to accept lower margins in order to be awarded the contract. Further, the Company also expects lower margins in the future as certain aspects of construction work in the irrigation and roads sectors are commoditised. As a result, the Company's financial results and business prospects may be adversely affected by lower margins, particularly as 48.4% and 29.5% of the Company's unconsolidated revenue was derived from irrigation and road contracts, respectively for the fiscal year ended March 31, 2007.

4. ***If we cannot bid in our own right and are unable to find suitable joint venture partners, we may be precluded from bidding for infrastructure-related contracts and projects.***

For many large construction contracts and infrastructure development BOT/BOOT projects, the Company may not always meet the pre-qualification criteria in its own right. A key factor affecting the Company's financial results is its ability to win contracts which is, in turn, related to its ability to partner and collaborate with other, often bigger, companies in bids for these large construction contracts or BOT/BOOT projects. We face competition from other bidders in a similar position to the Company looking for suitable joint venture partners with whom to partner in order to meet the pre-qualification requirements. If the Company is unable to partner with other companies or lacks the credentials to be the partner-of-choice for other companies, the Company may lose the opportunity to bid for, and therefore fail to increase or maintain its volume of new construction contract orders or new BOT/BOOT projects. Our competitors with greater financial resources and greater economies of scale than us may be able to pre-qualify in their own right and/or attract a joint venture partner more easily than us.

5. ***We depend on sub-contractors for the timely and successful completion of our infrastructure related contracts and BOT/BOOT projects.***

In our construction business, the Company increasingly sub-contracts different parts of a construction contract to sub-contractors. In those instances, the completion of the contract depends on the performance of sub-contractors. We cannot assure you that suitable sub-contractors will continue to be available at reasonable rates, or at all. As a result, the Company may be required to make additional investments or provide additional services to ensure the adequate performance and delivery of contracted services.

The execution risks the Company faces using sub-contractors include:

- sub-contractors hired by it may not be able to complete construction on time, within budget or to the specifications and standards that have been set in the contracts with them;
- delays in meeting project milestones or achieving commercial operation by the scheduled completion date could increase the financing costs associated with the construction and cause the Company's forecasted budget to be exceeded or result in delayed payment to the Company by the client, invoke liquidated damages or penalty clauses, or result in termination of the contract;

- sub-contractors may not be able to obtain adequate working capital or other financing on favourable terms as and when required to complete construction;
- sub-contractors may not be able to recover the amounts the Company has invested in construction contracts if the assumptions contained in the feasibility studies for these projects do not materialise;
- the Company may not be able to pass on certain risks to sub-contractors such as unforeseen site and geological conditions; and
- as we expand geographically, the Company may have to use sub-contractors with whom it is not familiar, which could increase the risk of cost overruns, construction defects and failures to meet scheduled completion dates.

Even when the Company sub-contracts work, it remains responsible for the sub-contracted work which means clients still have recourse to the Company for actions, omissions and defects by sub-contractors.

These execution risks are the same execution risks our Project SPVs face when an EPC contractor incurs the cost of constructing a project and is paid pre-determined charges by such Project SPVs.

In the case of our construction business, the Company generally does not receive guarantees or indemnities from sub-contractors as to timely completion, cost overruns, or additional liabilities which means that it assumes the risk of delayed or reduced payments, liquidated damages or penalty amounts, or contract termination by the client. The Company also assumes liability for defects in connection with any design or engineering work provided by sub-contractors.

In contrast, EPC contractors in our infrastructure development business are generally subject to liquidated damages payments for failure to achieve timely completion or performance shortfalls. They may also give limited warranties in connection with design and engineering work as well as provide guarantees and indemnities to cover cost overruns and additional liabilities. However, liquidated damages provisions, guarantees and indemnities may not address all losses, damages or risks or cover the full loss or damage suffered due to construction delays, performance shortfalls, or the entire amount of any cost overruns. The Project SPV may therefore not be able to recover from an EPC contractor the full amount owed by the Project SPV to a client. Further, to the extent an EPC contractor provides warranties in connection with design and engineering work, these warranties may be non-recourse to the EPC contractor for design and engineering defects outside the scope of the warranties, and either no or limited recourse against the EPC contractor for any latent defects if the Project SPV or a client has reviewed and approved such designs and engineering.

The Project SPV may also suffer losses due to risks not addressed as a co-insured under the insurance policies of EPC contractors. While the Company and our Project SPVs maintain insurance policies to cover business interruption, natural disaster risks, and other insurable risks that are not assigned to sub-contractors or contractors, we cannot assure you that any cost overruns or additional liabilities on the Company's part or on the part of a Project SPV would be adequately covered by such insurance policies. It may also not be possible to obtain adequate insurance against some risks on commercially reasonable terms.

Failure to effectively cover ourselves or the Project SPVs to cover themselves against risks could expose the Company and the Project SPVs to substantial costs and potentially lead to material losses. The occurrence of any of these risks may also adversely affect the Company's reputation.

6. ***An inability to attract, recruit and retain skilled personnel could adversely affect our business and results of operations.***

We are highly dependent on our directors, senior management and other key personnel, including skilled project management personnel for setting our strategic direction and managing our business. We presently do not have employment contracts or non-compete agreements with our directors, senior management and other key personnel nor do we have "key man" insurance for these individuals. Similarly, the Company is dependent on the availability of a large pool of contract labour. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals as well as the availability of a sufficient pool of contract labour to execute construction contracts. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals, and engineers in our industry is intense. We may also need to increase our pay structures to attract and retain such personnel, which could affect the Company's profit margins. Further, there can be no assurance that increased salaries will result in a lower rate of attrition. The loss of the services of our directors, senior management or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on the Company's financial results and business prospects.

7. ***The Company may be jointly and severally liable for the performance of obligations by joint venture partners and co-sponsors of Project SPVs.***

In our construction business, delay or failure on the part of a joint venture partner to timely perform its obligations could result in delayed payments to the Company, additional liabilities, or termination of a contract. Typically, bid documents provide that the Company is jointly and severally liable to clients for the performance of joint venture partners' obligations.

In our infrastructure development business, lenders to Project SPVs have typically required joint and several undertakings and guarantees by the Company and the other co-sponsors of a Project SPV of one or more of the following:

- unpaid equity capital contributions;
- a shortfall in funds necessary to complete the project and/or to cover project cost overruns;
- shortfalls from time to time in O&M expenses;
- for one BOT project, shortfalls in the debt service reserve account during the first year of operation, and thereafter, on demand by lenders, shortfalls in interest payments;
- a shortfall between the outstanding debt and a project termination payment on the occurrence of a termination event; and
- the several performances of work divided among the co-sponsors under any fixed-price, lump-sum contract outsourced to them by the Project SPV.

The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that, as a result of the Company's joint and several liabilities, it may be required to make additional investments and/or provide additional services to ensure the performance and delivery of the contracted services. With respect to our infrastructure development BOT/BOOT projects, the Company may be required to draw funds from the operations of its construction business or from external sources in order to satisfy its joint and several obligations to lenders of Project SPVs.

8. ***We do not have a controlling interest in any of our Project SPVs and may encounter problems relating to the operation of these Project SPVs and our unincorporated joint ventures if the interests of co-sponsors and joint venture partners do not align with our interests; a portion of the Net Proceeds will be used to fund the capital requirements of certain of our Project SPVs.***

Our ownership interest and voting rights in all our Project SPVs is 50.0% or less. We also do not have the right to appoint and/or remove all or a majority of the board of directors of these Project SPVs. Shareholder agreements for these Project SPVs provide that decisions relating to the business and operations of these Project SPVs need to be approved either unanimously or by a majority or by a super-majority of the board or shareholders. Our only way of exercising "control" of these Project SPVs is therefore limited to exercising our right to veto certain enumerated major decisions that affect our rights as shareholders or our investment in such Project SPVs and otherwise by voting as a block with other co-sponsors of these Project SPVs. In connection with the Gautami power station Project SPV, the Company's rights are even more limited as the Company and the other minority co-sponsors are treated as one voting block on all matters requiring unanimous approval and where consent given by the other two minority co-sponsors is binding on the Company. The interests of co-sponsors may not always be aligned with ours so we may not always be able to secure unanimity or a majority for board approval or a super majority for shareholder's approval. We intend to use a portion of the Net Proceeds to fund the capital requirements of certain of our Project SPVs, in which we do not have a controlling interest.

In addition, partners in our unincorporated joint ventures and co-sponsors of our Project SPVs may:

- be unable or unwilling to fulfill their obligations, whether of a financial nature or otherwise;
- have economic or business interests or goals that are inconsistent with ours;
- take actions contrary to our instructions or requests or contrary to a joint ventures' or a Project SPV's policies and objectives;
- fail to provide timely financial and operating data in order to comply with periodic reporting obligations to clients, lenders or as required by law;
- take actions that are not acceptable to regulatory authorities;
- have financial difficulties; or
- have disputes with us.

We may also need the co-operation and consent of joint venture partners or co-sponsors in connection with the operations of an unincorporated joint venture or Project SPVs, which may not always be forthcoming and we may not always be successful at managing our relationships with such partners and co-sponsors.

Any co-sponsor disputes leading to deadlock could cause delays and/or curtail the business or operations of the Project SPV while the matter is being resolved through arbitration. The shareholders' agreement for one of our Associates provides that, in case of a deadlock which remains unresolved beyond a prescribed time period, either the Company or our co-sponsors may be forced to buy out each others interest. A change of shareholder ownership interests in a Project SPV might also cause an event of default under such Project SPV's financing arrangements with lenders, many of which contain restrictions on changes to the capital structure of a Project SPV and restrictions on the divestment of shares by co-sponsors in a Project SPV.

9. Our operations could be adversely affected by disputes with employees.

As of June 30, 2007, the Company employed approximately 1,400 employees. In addition, the Company sub-contracts construction work to third parties that hire contract or temporary labour.

While we believe we maintain good relationships with employees, there can be no assurance that the Company will not experience future disruptions to its operations due to disputes or other problems with its work force or contract labour employed by independent contractors.

10. Inability to manage our growth could disrupt our business and reduce our profitability.

We have experienced high growth in recent years. For example, the Company's contract revenues on an unconsolidated basis have grown from Rs. 2,037.03 million in fiscal 2004 to Rs. 7,876.71 million in fiscal 2007, at a compound annual growth rate ("CAGR") of 57.0% and the Company's profit after tax has increased from Rs. 62.22 million in fiscal 2004 to Rs. 550.08 million in fiscal 2007, at a CAGR of 106.8%. Also, the number of employees increased from 372 employees as of March 31, 2006 to approximately 1,400 employees as of June 30, 2007. Further, we have expanded our business into infrastructure development and currently have one road project that is operational, six projects under construction or development, and five projects under award.

This growth may pose significant challenges and demands on the Company's management, financial and other resources and it may not be successful in expanding its business in accordance with its business plan. The

Company's ability to successfully implement its business plan requires adequate information systems and resources and oversight from senior management. The Company will need to continuously develop and improve its financial, internal accounting and management controls, reporting systems and procedures as it continues to grow and expand its business. The Company has in the past, for example, experienced delays in receiving financial information from its Associates in order to prepare its financial statements and has also faced shortages in qualified accountants. As the Company grows, it must continue to hire, train, supervise and manage new employees. The Company may not be able to hire, train, supervise and manage sufficient accountants and other personnel or develop financial, internal accounting and managerial controls, reporting systems and procedures to manage its expansion effectively.

11. Delays in the completion of current and future construction contracts and BOT/BOOT projects could have adverse effects on the Company's financial results; with one exception, all of our BOT/BOOT projects are either in the construction or development or award phase and we cannot assure you that these projects will reach commercial operation as expected on a timely basis, if at all.

Typically, construction contracts and infrastructure development BOT/BOOT projects are subject to specific completion schedule requirements. Failure to adhere to contractually agreed timelines for reasons other than specified *force majeure* events could result in the Company or one of our Project SPVs being required to pay liquidated damages or penalty amounts, lead to forfeiture of security deposits, or performance guarantees being invoked.

Delay in completing construction contracts means that the total cost of a construction contract could exceed the original estimates and the Company could experience a reduced profit or loss on that contract.

Of our twelve BOT/BOOT projects, only one project has achieved commercial operation, six projects are either in the construction or development phase, and five projects are in the award stage. Each project is required to achieve commercial operation no later than the scheduled commercial operations date specified under the concession agreement or power purchase agreement, subject to certain exceptions such as the occurrence and continuance of specified *force majeure* events that are not within the control of the Project SPV. Timely completion of the six projects in the construction or development phase is subject to risks including, among other things, EPC contractor performance, power station performance, equipment under performance, securing financing, and securing government approvals.

Although in our BOT/BOOT projects the EPC contractor is liable for payment of liquidated damages if the project fails to achieve commercial operation by the scheduled commercial operations date, the Project SPV may still be liable for liquidated damages without recourse to the EPC contractor. Further, the liquidated damages payable by the EPC contractor to the Project SPV may not be sufficient to cover the amount owed by the Project SPV to the client or commensurate with the range of remedies available to the client, such as termination of a power purchase agreement. For BOT/BOOT projects, delays may also result in cost overruns, lower returns on capital and reduced revenue for the Project SPV as well as failure to meet scheduled debt service payment dates. Failure by a Project SPV to make timely debt service payments could result in a loss on the Company's investment in such Project SPV if lenders trigger the security under the financing agreements due to a Project SPV payment default. Moreover, any loss of goodwill could adversely affect the Company's ability to pre-qualify for projects.

Similarly, for projects in the development phase or under award, the agreements or the letter of award also require that the Project SPVs achieve financial closure by a date specified in the concession agreement or power purchase agreement or risk losing the project.

Under the terms of certain contracts, concession agreements and power purchase agreements, the Company and our Project SPVs are eligible for an early completion bonus. Even when the Company or a Project SPV is eligible for this bonus, clients may be unwilling to make any such payment or dispute amounts that are due under such early completion bonus.

12. We require certain approvals or licences in the ordinary course of business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect the Company's financial results.

The Company and our Project SPVs require certain statutory and regulatory approvals, licences, registrations and permissions, and applications need to be made at the appropriate stages.

In our construction business, delays in obtaining approvals may result in cost increases in the price of construction materials from original estimates which cannot generally be passed on to clients and may also adversely affect the Company's ability to mobilise equipment and labour due to overlapping commitments.

Some of our infrastructure development BOT/BOOT projects are in the development stage and we are yet to apply or obtain approvals for these, including rights of way over land. Further certain of our Project SPVs intend to construct power projects and a port project on private and government land. Our definitive plans in relation to these projects are yet to be finalised and approved. There can be no assurance that the relevant authorities will issue these approvals or licences in a timely manner, or at all. For BOT/BOOT projects, regulatory delays may delay financial closure within the prescribed time limits, result in a delay locking in an interest rate under loan agreements, or compliance with prescribed time limits for achieving the scheduled completion date specified in project documents. As a result, the Company may not be able to execute its business plan as planned.

Government approvals, licences, clearances and consents are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. Furthermore, approvals, licences, clearances, and consents covering the same subject matter are often required at both the GoI and state government level. If the Company or our Project SPVs fail to comply, or a regulator claims the Company or our Project SPVs have not complied, with these conditions, the Company or the Project SPVs may not be able to commence or continue with work or operate a BOT/BOOT project. See the section "Government and Other Approvals" beginning on page 268 of this Red Herring Prospectus.

13. Our infrastructure-related contracts and projects carry risks which may not be fully covered by insurance policies to cover our economic losses.

Infrastructure-related contracts and BOT/BOOT projects carry many risks, which, to the extent they materialise include:

- political, regulatory and legal actions that may adversely affect a project's viability;
- changes in government and regulatory policies;
- delays in construction and operation of projects;
- adverse changes in market demand or prices for the products or services that the project, when completed, is expected to provide;
- the willingness and ability of consumers to pay for infrastructure services;
- shortages of or adverse price movement for construction materials;
- design and engineering defects;
- breakdown, failure or substandard performance of equipment;
- improper installation or operation of equipment;
- labour disturbances;
- terrorism and acts of war;
- inclement weather and natural disasters;
- environmental hazards;
- industrial accidents; and
- adverse developments in the overall economic environment in India.

Not all of the above risks may be insurable or possible to insure on commercially reasonable terms. Although we believe the Company and our Project SPVs have insurance that is customary for construction and operating infrastructure in India, this insurance, however, may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage.

We cannot assure you that the projects which the Company or our Project SPVs are involved in will not be affected by any of the incidents and hazards listed above, or that the terms of the Company's or our Project SPVs' insurance policies, will adequately, if at all, cover all damage or losses caused by any such incidents and hazards. In addition, the Company does not always obtain insurance cover in connection with some of its construction contracts if a client has not required it to do so. To the extent that we suffer damage or losses for which we did not obtain or maintain insurance, or exceeds the Company's or our Project SPVs' insurance coverage, the loss would have to be borne by the Company or the Project SPV, as the case may be. The proceeds of any insurance claim may also be insufficient to cover the rebuilding costs as a result of inflation, changes in regulations regarding infrastructure projects, environmental and other factors. We cannot assure you that material losses in excess of insurance proceeds will not occur in the future.

Should an uninsured loss or a loss in excess of insured limits occur, the Company would lose the anticipated revenue from the construction contract and, in the case of our infrastructure development BOT/BOOT projects, the loss of our investment in the relevant Project SPV.

14. ***We may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.***

In the future, the Company may consider making strategic acquisitions of other construction companies whose resources, capabilities and strategies are complementary to and likely to enhance our business operations. If such an opportunity arises, the Company may not be able to complete the acquisition on terms commercially acceptable to it, or at all. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may adversely affect the Company's competitiveness or its growth prospects.

If the Company acquires another company it could face difficulties integrating the acquired operations. In addition, the key personnel of the acquired company could decide not to work for the Company. These difficulties could disrupt the Company's ongoing business, distract our management and employees and increase the Company's expenses. There can be no assurance that the Company will be able to achieve the strategic purpose of such an acquisition or operational integration of the Company or any acceptable return on such an investment.

15. ***We do not own the Maytas trademark name.***

We use the "Maytas" trademark and service mark and its associated logos. Maytas Holdings Private Limited ("Maytas Holdings"), a Promoter Group company, has applied for the registration of the "Maytas" trademark and service mark under the various clauses of the Trademarks Act of 1999. The Company has the licence to use the "Maytas" trademark in India only pursuant to a licence agreement, dated April 20, 2007, entered into between the Company and Maytas Holdings. The Company, however, is not permitted to use the "Maytas" trademark in connection with real estate development business. For more information on the Company's main objects, see the section "History and Certain Corporate Matters – Main Objects" beginning on page 116 of this Red Herring Prospectus. One of the Company's related parties has the exclusive right to use the "Maytas" trademark in connection with real estate development and we cannot assure you that there will not be some conflict or confusion with the Company's use of the Maytas name in connection with residential and commercial building construction and the use of the Maytas name by the Company's related party in connection with real estate development projects. As a licence holder, we do not enjoy the statutory protections accorded to a registered trademark and are subject to the risk of non-performance, such as Maytas Holdings' obligation to obtain, on the Company's behalf, trademark registration offshore, under the licence agreement as well as other contractual risks. Further, we cannot assure you that the application for registration by Maytas Holdings will be granted by the relevant authorities or when these authorities will grant the registration to Maytas Holdings.

Risks Related to our Construction Business

16. On fixed-price, lump-sum or item-rate contracts, the Company is exposed to increases in the cost of construction materials, fuel, and equipment.

Under fixed-price or lump-sum, turn-key contracts, the Company typically agrees to a fixed price for providing civil construction services for the part of the project contracted to it, or in the case of turn-key contracts, completed facilities which are delivered in a ready to operate condition.

Under these contracts, additional costs associated with cost increases in construction materials, fuel, equipment, and materials are borne by the Company, unless these contracts contain price escalation clauses. Similarly, the Company bears the additional cost associated with quantities of construction materials, fuel, equipment and materials exceeding estimates and assumptions. The prices and supply of these construction materials depend on factors beyond the Company's control, including general economic conditions, competition, production levels, transportation costs and import duties. Many of the Company's construction contracts either contain limited or no price escalation clauses covering these additional costs.

Under item-rate contracts, the Company agrees to provide certain construction activities at a rate specified in the relevant Bill of Quantity, or "BOQ". The BOQ is an estimate of the quantity of items or number of activities involved and these quantities may be varied by the parties during the course of the project. Although the additional costs associated with actual quantities exceeding estimated quantities may not pass to the Company entirely, the Company does, however, bear the risk associated with actual costs of items or activities exceeding the agreed upon rate for such item or activity, unless these item-rate contracts contain price escalation clauses.

In recent times, the cost of cement and steel, two main materials used in the Company's construction business have steadily risen. The effect of rising cement and steel costs, as well as any other materials, fuel or equipment, is that it may lower the margins earned by the Company on its construction contracts and could also cause a slow down in growth of our construction business.

For fixed-price or lump-sum, turn-key contracts or item-rate contracts, the Company may bear additional costs if actual expenses vary substantially from the assumptions underlying its bid and forecasted budget for the following reasons:

- unanticipated changes in engineering design of the project;
- drawings and technical information provided by clients, and on which bids were based, are not accurate. The Company typically does not have recourse to clients for errors and omissions in drawings and technical information provided by them. Under the terms of many contracts, the Company is deemed to accept any risk associated with inadequacies, errors or omissions in such drawings and technical information;
- unforeseen design and engineering construction conditions, site and geological conditions, resulting in delays and increased costs;
- inability by the client to obtain requisite environmental and other approvals;
- delays associated with the delivery of equipment and materials to the project site;
- unanticipated increases in equipment costs;
- delays caused by local and seasonal weather conditions; and
- suppliers' or sub-contractors' failure to perform their obligations in a timely manner.

As fixed price or lump-sum and item-rate contracts also tend to be fixed-time contracts the Company bears the risk of unanticipated delays other than for specified *force majeure* events.

Unanticipated costs or delays in performing part of a contract and/or unanticipated increases in the price of construction materials, fuel, equipment, and materials can have a compounding effect by increasing costs of performing other parts of the contract. There may also be a higher risk of delay created by the fact that construction contracts are sometimes divided into multiple parts to be simultaneously performed by the Company and joint venture partners or co-sponsors of Project SPVs.

The risks generally inherent to the construction industry may result in the Company's profits being different from those originally estimated and may result in the Company experiencing reduced profitability or losses on projects.

17. ***Our construction contracts are dependent on timely supply of key construction materials such as steel, cement and key equipment at commercially acceptable prices.***

Our construction business is affected by the timely availability and cost of steel, aggregate, cement, diesel, bitumen, and construction equipment. Timely and cost effective execution of construction contracts is dependent on the adequate and timely supply of these and other construction materials and equipment. If, for any reason, the Company's primary suppliers should curtail or discontinue their delivery of such materials in the quantities needed, the Company's ability to meet its material requirements for construction contracts could be impaired, its construction schedules could be disrupted, and the Company may not be able to complete construction contracts as per schedule.

The Company has not entered into any long-term supply contracts with suppliers. Additionally, the Company typically uses third-party transportation providers for the supply of most its construction materials. Transportation strikes by, for example, members of various Indian truckers' unions and various legal or regulatory restrictions placed on transportation providers have had in the past, and could have in the future, an adverse effect on delivery of supplies. Further, transportation costs have been steadily increasing, and the price of construction materials could fluctuate. If the Company is unable to procure the requisite quantities of construction materials in time and at commercially acceptable prices, the performance of its financial results and business prospects could be adversely affected.

18. ***We have significant working capital requirements. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, there may be an adverse effect on our results of operations.***

Our construction business requires a significant amount of working capital. In many cases, significant amounts of working capital is required to finance the purchase of materials and the performance of engineering, construction and other work on projects before payment is received from clients. As of March 31, 2007, the Company had outstanding secured and unsecured loans of Rs. 4,302.86 million and capital expenditure commitments (net of advances) of Rs. 348.12 million. In certain cases, the Company is contractually obligated to clients to fund working capital. Moreover, the Company may need to incur additional indebtedness in the future to satisfy its working capital needs.

The Company's working capital requirements may increase if contract payment terms include reduced advance payments or payment schedules that specify payment towards the end of a contract. All of these factors may result in increases in the amount of the Company's receivables from a government entity and short-term borrowings. In the event we are required to repay any working capital facilities upon receipt of a demand from any lender, we may be unable to satisfy our working capital requirements. There can be no assurance that we will continue to be successful in arranging adequate working capital for our existing or expanded operations on acceptable terms or at all, which could adversely affect our financial condition and results of operations.

It is customary in the industry in which we operate to provide bank guarantees or performance bonds in favour of clients to secure obligations under contracts. In addition, letters of credit are often required to satisfy payment obligations to suppliers and sub-contractors. If the Company is unable to provide sufficient collateral to secure letters of credit, bank guarantees or performance bonds, its ability to enter into new contracts or obtain adequate supplies could be limited.

The Company's ability to arrange financing and the costs of capital of such financing may not be on favourable terms and failure to obtain financing on terms favourable to the Company could have an adverse effect on its financial results and business prospects.

19. The Company is subject to operational hazards and other risks that could expose it to material liabilities, loss in revenues and increased expenses.

Our contract business is subject to hazards inherent in providing construction services, such as risk of equipment failure, work accidents, fire or explosion, hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage.

The Company may also be subject to claims resulting from defects arising from workmanship, procurement and/or construction services provided by it within the warranty periods, which generally range from 12 to 24 months from the completion of work. Actual or claimed defects in equipment procured and/or construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, equipment and facilities, pollution, inefficient operating process, loss of production or suspension of operations. The Company's policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. In some jurisdictions in which the Company operates, environmental and workers' compensation liability may be assigned to us as a matter of law.

20. Contracts awarded to the Company by government entities are standard form government contracts and contain many terms that favour the government entity.

Counterparties to most of our construction contracts are government entities. Due in part to the foregoing, the Company had only a limited ability to negotiate the terms of these contracts which means that many terms in the agreement tend to favour the client. The relevant terms of certain contracts that we believe present risks to the Company's business are as follows:

- it is not always clear whether design review and approval by a client releases the Company from design and engineering liability, in particular latent defects;
- to the extent defects in site or geological conditions were not foreseen from our preliminary investigations, design and engineering prior to submitting a bid, the Company, may be required to assume the risks associated with such defect and may not have recourse to the client;
- it is not always clears whether liability is excluded for defects arising after the end of the defects liability period;
- in many cases, the client has the discretion to grant time extension;
- there are generally no caps on the Company's liability as a contractor, and it is not always clear whether the Company can be liable for consequential and/or economic loss to a client; and
- the government entity may have the right to terminate the contract for convenience, without any reason, at any time after providing the Company with notice that may vary from a period of 30 to 90 days.

Risks Related to our Infrastructure Development Business

21. We have a limited operating history as an infrastructure developer.

While we have approximately two decades of experience as a construction company, we have limited operating history as an infrastructure developer. All of the Company's revenue to date, including for the fiscal year ended March 31, 2007, has been from the construction business. As of the date of this Red Herring Prospectus, only one of our Project SPVs has a BOT project that is operational. Although this Project SPV received its first bi-annual annuity in October 2006, neither this Project SPV nor any other Project SPV has to date paid any dividends to the Company. Construction of the first stage of the Gautami power station project has substantially been completed and was ready for commissioning in 2006, but has not commenced commercial operation due to the unavailability of natural gas. The two road projects currently under construction are not expected to be operational until 2008 – 2009, the Himachal Sorang power station currently under construction is not expected to be operational until 2010, and the two power projects under development are not expected to be operational until 2009 – 2010. As result, there is no historical financial and operating information available to help you evaluate the Company's past performance as an infrastructure developer. We do not expect to earn any significant income (which will primarily be in the form of dividends) from the infrastructure business in the near future as most of our BOT/BOOT projects are either in the construction or development phase.

In addition, due to our limited operating history as an infrastructure developer, the Company's historical financial results may not accurately predict its future performance. Future performance is more difficult to predict in this case also because BOT/BOOT projects are generally considered riskier than execution of construction contracts and because of the significant size of the Company's investment in Project SPVs. In the case of the two tollway road projects currently under construction, the Company is assuming both the construction risk as the EPC contractor and indirectly, also the traffic volume risk if the actual revenues do not match the estimates and projections or expected traffic volumes. The Company's total investment (including share application money) in Project SPVs comprising Brindavan Infrastructure, Western UP Tollway, Bangalore Elevated Tollway, KVK Nilachal Power, SV Power, Himachal Sorang Power and Gautami Power (including share application money) as of March 31, 2007 was Rs. 1,534.3 million. As the infrastructure development business becomes, as anticipated, an important part of the Company's overall business, the Company's financial condition and results of operations will increasingly depend on the performance of Project SPVs and dividends it receives from them. If dividend payments do not materialise in the amounts that we expect, the Company may not be able to recover its investment in the Project and, as a result, its financial results and business prospects may be adversely affected.

Also, the valuations made for the purposes of this Issue may be subject to a material decline should the Company's equity interest in these Project SPVs be diluted or if the performances of these Project SPVs do not deliver the projected future returns.

22. ***Gautami Power has recently been involved in litigation with the Government of Andhra Pradesh regarding the failure to supply the Gautami power station with natural gas, resulting in delays in the power station achieving commercial operation.***

As of March 31, 2007, the Company has a 19.2% participation interest in Gautami Power. Although the first stage of the Gautami power station project has substantially been completed and was ready for commissioning in September 2006, commercial operation of the project has not commenced because, as a pre-condition to commercial operation, the mandatory performance acceptance tests under the power purchase agreement have not been carried out. Performance acceptance tests have not been carried out because Gautami Power has not been able to procure required levels of natural gas from the Gas Authority of India Limited, an entity controlled by the GoI. So long as the project does not achieve commercial operation, the Company and the co-sponsors of Gautami Power are, on a joint and several basis, responsible for all cost overruns. Cost overruns to June 30, 2007 are approximately Rs. 570.0 million.

Gautami Power filed a suit in the High Court of Andhra Pradesh against the Government of Andhra Pradesh and the Transmission Corporation of Andhra Pradesh Limited ("APTRANSCO"), the state electricity authority, seeking, among other things, an order for specific performance directing the Government of Andhra Pradesh and APTRANSCO to recommend to the Ministry of Petroleum and Natural Gas, GoI and Gas Authority of India to supply the contracted levels of natural gas to the project so that Gautami Power might achieve commercial operation. On February 28, 2007, the High Court of Andhra Pradesh issued interim orders directing the Government of Andhra Pradesh and APTRANSCO to, among other things, recommend to the Ministry of Petroleum and Natural Gas and Gas Authority of India to supply the contracted levels of natural gas. These interim orders were set aside by the Division Bench, High Court of Andhra Pradesh. On appeal by Gautami Power to the Supreme Court of India, the Supreme Court recorded that the parties will try to resolve the dispute amicably. Gautami Power has submitted a proposal to APTRANSCO for consideration.

If Gautami Power is unable to reach a commercial resolution with the Government of Andhra Pradesh/APTRANSCO regarding the matter, and the courts find in favour of Government of Andhra Pradesh/APTRANSCO, Gautami Power could be in default under the power purchase agreement. Should Gautami Power be in default, the remedies available to the Government of Andhra Pradesh and/or APTRANSCO under the power purchase agreement include liquidated damages, a buy-out option to purchase the project at the purchase price specified in the power purchase agreement, or termination of the power purchase agreement.

Any action by either the Government of Andhra Pradesh and/or APTRANSCO or by lenders to Gautami Power to declare Gautami Power in default would have a material and adverse effect on the business, prospects, financial condition and results of operations of Gautami Power. As a result of the delay in achieving commercial operation, Gautami Power is currently in discussion with lenders regarding rescheduling its debt under loan facilities in connection with the development of this project. As of March 31, 2007, the aggregate debt outstanding under these loan facilities was Rs. 10,150.03 million.

The Company's equity interest in Gautami Power could be at risk if lenders were to accelerate payment of all outstanding debt under the loan facilities in the event of a default or do not now agree to reschedule Gautami Power's debt. Under the loan facilities, in the event of a default, the remedies available to lenders against the Company include sale of 51.0% of the Company's paid-up capital in Gautami Power pursuant to a share pledge, and the exercise of 'step-in' rights by lenders entitling them to take possession of all secured assets and collateral of Gautami Power.

23. ***Delays in the acquisition of land by the GoI and/or state government may adversely affect the timely performance by the Project SPVs of their obligations under concession agreements or power purchase agreements leading to disputes with the GoI or state governments.***

For our road, power, and port projects, the GoI and/or state governments are typically required under concession agreements or power purchase agreements to facilitate the acquisition or lease of, or secure rights of way over, tracts of land for a project site. Delays by government to acquire or lease or secure rights of way over land may delay financial closure within the time limits prescribed by the concession agreement or power purchase agreement and cause consequent construction delays. This may lead to disputes and cross-claims for liquidated damages between the Project SPV and the government. For example, on the Meerut-Muzaffarnagar tollway project, delay in achieving financial closure within the time limits specified under the concession agreement was caused by a failure by the NHAI to grant the Project SPV the necessary rights of way over land. Similarly, for the Bangalore Elevated Tollway project, the Project SPV has paid liquidated damages to the government in connection with its failure to reach timely financial closure under the concession agreement. Even when performance by the Project SPV is excused for government delay, this may lead to payment delays or disputes with the government in connection with a completed project's eligibility for an early completion bonus. Furthermore, delays in achieving financial closure also delay locking in interest rates under Project SPV loan agreements.

Sometimes, subject to the permission from lenders, construction of a project will commence even before all land has been acquired or leased or rights of way have been secured by a government. If a government is unable, for whatever reason, to acquire or lease the requisite land or rights of way, this may be a government default and a termination event. Although the Project SPV may be entitled to a termination payment from the government, if this payment is not sufficient to cover debt service payments to lenders, the Company, jointly and severally, with the co-sponsors of such Project SPV is required to cover any shortfall between the debt amount outstanding and the termination payment.

24. ***Our infrastructure development business holds investments in Project SPVs and in the future the Company's financial results will increasingly depend on the performance of these Project SPVs, in particular the payment of dividends, for its revenue.***

All of the Company's revenue to date has been from the construction business. The Company's principal source of revenue from the infrastructure development business is its right to receive dividends from Project SPVs.

The ability of these Project SPVs to make dividend payments to the Company is constrained by corporate laws and regulations as to the payment of dividends to shareholders. Also, the Company may not be able to control dividend decisions in these Project SPVs as it does not have a controlling interest in any of these Project SPVs and decisions regarding dividend payments in most cases require unanimous consent. Furthermore, loans made to these Project SPVs contain important exceptions and qualifications with respect to the payment of dividends. For example, before any dividend can be paid, a debt service coverage ratio test must be satisfied and debt service reserve accounts and other accounts must be sufficiently funded.

In the event of a bankruptcy, liquidation or reorganisation of a Project SPV, the Company only has a shareholder's claim in the assets of such Project SPV which is subordinate to the claims of lenders and other creditors. Under loans to these Project SPVs, the position of lenders is further protected with a floating charge over all assets including dividend payments by, and all cash of, these Project SPVs. This effectively, means that the lenders have a first priority lien over any distribution upon the occurrence of an event of default.

25. ***Given the long-term nature of infrastructure development projects, our Project SPVs face various kinds of development and implementation risk.***

Typically, infrastructure development projects involve agreements that are long-term in nature. The concessions granted by the NHAI in connection with Meerut-Muzaffarnagar road project and the Bangalore-Hosur road project are for 20 years of which three years and two years, respectively, are scheduled for construction and 17 years and 18 years, respectively, are scheduled for operation. Similarly, approximately seven years of operation still remain under the Bangalore-Maddur annuity road project. Most of the power station projects will also sell power under long-term power purchase agreements which expire over a 10 to 25 year period and are supported by long-term fuel supply agreements. Long-term arrangements have inherent risks associated with them because they can restrict the Company's and the relevant Project SPV's operational and financial flexibility. These risks may not necessarily be within the control of that Project SPV.

For example, business circumstances may materially change over the life of one or more of our infrastructure projects. We may not have the ability to modify our agreements with government entities to reflect these changes or negotiate satisfactory alternate arrangements with co-sponsors. For example, the toll for the Meerut-Muzaffarnagar road project and the Bangalore-Hosur road has been pre-agreed with the NHAI and can only be adjusted for inflation. As a result, the relevant Project SPVs are prevented from increasing or discounting the toll as circumstance may necessitate or require. Further, being committed to these projects may restrict the Company's ability to implement changes to its business plan. For example, loan agreements for these projects restrict the Company's ability to sell, transfer or divest its interests in the relevant Project SPV. This limits the Company's business flexibility, exposes it to an increased risk of unforeseen business and industry changes and could have an adverse effect on its financial results and business prospects.

As the revenue structure for the Project SPVs under each project is generally set over the life of the project (and fluctuates subject to the built-in adjustment mechanisms contained in concession agreements or power purchase agreements), a Project SPV's profitability is largely a function of how effectively the Project SPV manages costs during the term of those agreements. In the case of the tollway road projects, whose revenue is not fixed, the relevant Project SPVs' profitability and its ability to meet debt service payments is also a function of traffic volumes and the toll levied on each user of the road. We cannot assure you that the actual revenues derived from these tollway road projects will match the estimates of expected traffic volumes. If the Project SPVs fail to effectively manage costs and, in the case, of the tollway road projects, the estimates of traffic volume are not accurate and fail to generate sufficient revenue, this may affect the dividend received from, and recovery of the Company's investment in, such Project SPVs.

26. ***State roads and NHAI roads may compete with our BOT road projects.***

Our Project SPVs have obtained concessions to develop the Meerut-Muzaffarnagar road project and the Bangalore-Hosur road project from the NHAI. Both road projects are based on a toll structure and revenues are dependent on the volume of traffic, as well as the amount of toll the Project SPV levies on each user. The toll has been pre-agreed with the NHAI and can only be adjusted for inflation. As a result the Project SPVs are prevented from increasing or discounting the toll as circumstance may necessitate or require. While the NHAI has agreed to allow the Project SPVs to operate these stretches exclusively for 20 years, they may be subject to competition from new roads developed by the state governments, which are not subject to the control of the NHAI. Unlike national roads that are built pursuant to concessions granted by the NHAI, which charge users toll payments for the use of such roads, state governments do not typically charge for the use of state roads. We cannot assure you that our toll road projects will be able to compete effectively against roads developed by state governments that cover the same routes.

27. ***The concession our Project SPV holds to operate the Meerut-Muzaffarnagar road project may be revoked if the Project SPV is unwilling to match offers to expand the capacity of these projects provided by other road operators.***

As of March 31, 2007, the Company has a 30.0% participation interest in Western UP Tollway. Under the concession agreement to operate the Meerut-Muzaffarnagar road project, after eight years, the NHAI may solicit other road operators to submit bids for expansion or modernisation of the toll road project. Once the NHAI has obtained the lowest bid, it will approach the relevant Project SPV with the terms of the bid, and the Project SPV may either agree to carry out the work on such terms or have the concession revoked following the payment by the NHAI of a termination fee. If the Project SPV is unable or unwilling to compete with road operators, it may lose the concession to operate the toll road project, which would, in turn, adversely affect the dividend received from, and recovery of the Company's investment in such Project SPV. The Project SPV may under these circumstances be entitled to a termination payment from the government. If this payment is not sufficient to cover the Project SPV's debt service payments to lenders, the Company, jointly and severally, with its co-sponsors of such Project SPV is required to cover any shortfall between the debt amount outstanding and the termination payment.

28. ***The state government of Andhra Pradesh may not be able or not willing to honour its obligations under the guarantee given in connection with the power purchase agreement.***

The payment obligations of APTRANSCO under the Gautami power purchase agreement are guaranteed by the state government of Andhra Pradesh. The state government of Andhra Pradesh may face political or public pressure not to fulfil its obligations under this power purchase agreement. This could affect the relevant Project SPV's ability to meet its debt service obligations to lenders, make payments to fuel suppliers, and fulfil its obligations to others. We cannot assure you that the government of Andhra Pradesh will honour its guarantee. If the guarantee given to the Project SPV by the government of Andhra Pradesh, is not honoured, the cash flows and financial results of the Project SPV will be adversely affected which may, in turn, affect the dividend received from, and recovery of the Company's investment, in the Project SPV. If the arbitration provisions of power purchase agreements are invoked, recovery of amounts in dispute may take several years.

29. ***Both the Gautami power station and the KVK Nilachal power station will rely on a single supplier of fuel as well as external operators for its operation and maintenance.***

As of March 31, 2007, the Company has a 50.0% participation interest in KVK Nilachal. The most critical feedstock required by power stations to generate electricity is fuel. The Gautami power station and the KVK Nilachal power station both rely on, or on commencement of commercial operation will rely on, a single fuel supplier – Gas Authority of India Limited and Mahanadi Coal Fields Limited, respectively – for all their fuel requirements. These projects do not have any captive source of energy and their dependence on a single fuel supplier leaves the operations of these power stations vulnerable to fuel supply delays or failures by the suppliers. In addition, if a fuel supplier fails, or is unable to deliver fuel as scheduled or contracted for, or if the fuel supply to one or more power stations is otherwise disrupted, the Project SPV may not be able to make alternative arrangements in a timely manner, if at all, and any such alternative arrangements may be more costly to the Project SPV. As a result, any material delay or failure by a fuel supplier to fulfil its obligations under its fuel supply agreement or any other disruption of fuel supplies could materially disrupt the normal operations of the power station and could have an adverse effect on the financial results and business prospects of the Project SPV which may, in turn, adversely affect the dividend received from, and recovery of the Company's investment in, such Project SPV.

Further, gas coal and allocations, gas prices, and coal supplies are currently determined by the GoI. In the event that gas supply, or gas prices, was to be deregulated, we cannot assure you that we will be able to obtain gas at competitive prices, or in the required quantities.

In the case of the Gautami power station, the Gas Authority of India Limited is only under a "best efforts" obligation to deliver fuel, and the Gautami power station Project SPV has not entered into any alternative arrangement for the supply of fuel. If it is unable to secure sufficient quantities of fuel for the operation of the Gautami power station, the financial results and business prospects of the Project SPV may be adversely affected which may, in turn, adversely affect the dividend received from, and recovery of the Company's investment in such Project SPV.

In addition, our Project SPVs may rely on external operators for the operation and maintenance of their power stations. If any of these operators fail to perform their obligations in accordance with the terms of their agreement with the relevant Project SPV, or if any of these agreements are terminated, the Project SPV may not have the expertise to operate and maintain the power station, which would adversely affect the revenues of the Project SPV, the normal operation of its power plant, as well as the life-span and efficiency of such equipment. Any such failure may also cause the Project SPV to be in default of its obligations under the relevant power purchase agreements and loan agreements.

30. The Project SPVs are subject to significant contractual risks under the power purchase agreements with power purchasers.

Counterparties under three of our power purchase agreements are state-owned entities that are also the principal purchasers of wholesale electricity in the states of Andhra Pradesh, Orissa and Chhattisgarh. Due in part to the foregoing, we had only a limited ability to negotiate the terms of these power purchase agreements. This means that these agreements are not tailored to our specific operating circumstances and contain a number of ambiguous provisions. The relevant terms of certain power purchase agreements that we believe present risks to our business are as follows:

- a power purchase agreement may only provide for very limited instances in which penalties are the relevant power purchaser's principal remedy for failure by the Project SPV to perform its contractual obligations. This means that any other material failures by the Project SPV are more likely to constitute events of default under these power purchase agreements and, upon expiration of the relevant cure periods, give such purchaser the right to terminate these agreements;
- a power purchase agreement may be terminated before the end of its term due to the default of either party and the remedies available to the Project SPV, including a claim for damages and the right to force the government or the power purchaser in some instances to buy the power plant, may not adequately compensate the Project SPV or cover its debt service payments to lenders. Under these circumstances, the Company, jointly and severally, with the co-sponsors of the Project SPV is required to cover any shortfall between the debt amount outstanding and the termination payments; and
- under a power purchase agreement, penalties are imposed in the form of reduced capacity or energy payments from customers where the power station supplies less than the contracted capacity or the Project SPV provides electricity for less than the agreed number of hours in a year.

These contractual risks could have an adverse effect on the financial results and business prospects of the Project SPV which may, in turn, affect the dividend received from, and recovery of the Company's investment in, such Project SPV.

31. We may not have sufficient fuel to operate our power plants at full capacity.

The Gautami power station project will rely on natural gas for the generation of electricity. While the Project SPV has contracted with Gas Authority of India Limited for the long-term supply of natural gas to the project, we anticipate that the plant may not have sufficient fuel to operate at its contracted capacity for the initial 20 to 24 months of its commercial operation.

Similarly for the KVK Nilachal power station project, the current coal supply is not sufficient to operate the plant at its contracted capacity. Although the Company has submitted a request to the Ministry of Coal to provide the balance of coal required, given the shortage of coal in India, the risk remains that the coal will not be available in the quantities necessary to meet the installation performance tests. Delays in achieving commercial operation may result in a breach of the power purchase agreements which could adversely affect the Project

SPV's financial results and business prospects which may, in turn, adversely affect the dividend received from, and recovery of the Company's investment in, that Project SPV.

32. ***Under the Gautami power purchase agreement, the price payable on alternative fuel by APTRANSCO is dependent upon the decision of a fuel supply committee and may be lower than the actual price paid by the Project SPV.***

In the event alternative fuel is used in the Gautami power station project, the price of alternative fuel for the computation of the variable charges will be determined by a committee of five members, of which two members will be nominated by the relevant Project SPV, two by APTRANSCO, and one will be an independent expert. In the event the committee determines a price lower than the actual price of alternative fuel paid by such Project SPV, the difference in the price could have an adverse effect on the Project SPV's financial results and business prospects, which may in turn, adversely affect the dividend received from, and recovery of the Company's investment in such Project SPV.

33. ***We currently do not have any off-take arrangements for the Himachal Sorang hydro-power station project or for all of the power available from the KVK Nilachal power station project.***

As of March 31, 2007, the Company has a 33.0% participation interest in Himachal Sorang. As power plants are currently not permitted to sell electricity directly to retail power customers, the customer base for the Himachal Sorang hydro-electric power station project is limited to state utility companies or electricity boards and licensed power traders. It is likely that any decision by these entities regarding the purchase of power from Himachal Sorang will depend upon a variety of factors, some of which are beyond the relevant Project SPV's control, including the demand for power, the availability of alternative sources of supply, and the competitiveness of the various potential power producers. Similarly, there are currently no power off-take arrangements for a portion of the available power from the KVK Nilachal power station project. Accordingly, we cannot assure you that we will be able to secure minimum purchase obligations of power for the Himachal Sorang power plant or for the balance of power available from the KVK Nilachal power station when both these projects achieve commercial operation, or that any such obligations will be on terms acceptable to us, or at all. Consequently, a failure to secure off-take arrangements could adversely affect the financial results and business prospects of the relevant Project SPV, which could, in turn, adversely affect the dividend received from, and recovery of the Company's investment in such Project SPV.

34. ***Even if customers of the Project SPVs do not comply with their obligations under the power purchase agreement or if the road projects are under-utilised, the Project SPVs will still be required to purchase fuel under fuel supply agreement and/or to pay O&M operators.***

Under the fuel supply agreements for a number of power projects, the relevant Project SPVs are required, when the projects achieve commercial operation, to purchase an agreed amount of fuel each month regardless of whether this quantity of fuel is needed for a particular month or whether customers of the power station have paid the Project SPV.

Similarly, Project SPVs may be obligated to pay certain fixed amounts to O&M operators of power stations, regardless of whether customers have paid the Project SPV. If one or more power customers fail to meet its payment obligations, the Project SPVs may be required to obtain the funds necessary to pay the fuel suppliers and the power plant operators from other sources which could affect the Project SPV's ability to meet debt service payments.

Similarly, if the Karnataka Department of Public Works fails to pay bi-annual annuity payment, the Project SPV will need to obtain funds from other sources to pay the O&M operator, including invoking the joint and several undertaking by the Company and the other sponsors, to cover, any shortfall in O&M expenses.

35. ***If the operation of the BOT/BOOT assets do not meet certain agreed performance requirements, customers of the power station are entitled to reduce their payments and the Company may be liable to clients for penalties.***

The operation of power plants involves many operational risks, including the breakdown or failure of generation equipment or other equipment or processes, labour disputes, fuel interruption, and operating below expected levels. The power purchase agreements entered into by our Project SPVs require them to guarantee certain minimum performance standards, such as plant availability and generation capacity. In addition, the tariffs the Projects SPVs charge when these projects achieve commercial operation are arrived at assuming certain heat rate and other agreed norms. If the power stations do not meet the required performance standards, power customers of the Project SPV may be entitled to reduce the fixed charge capacity payment (that is, the payment that is designed to allow the Project SPV to recover its fixed costs for constructing and operating the power plant over the life of the contract). In addition, if the Project SPVs do not operate and maintain the power stations in accordance with the required performance standards, the Project SPVs will have to bear the additional costs associated with inefficiencies.

Similarly, if Project SPVs do not maintain road projects in accordance with agreed standards, the NHAI may, at its own cost, remedy any defects, and the Project SPV is obligated to reimburse NHAI an amount equal to 125.0% of such cost.

36. ***In the future, a large portion of our revenues will come from a small number of customers for each project.***

With respect to the Bangalore-Maddur road project, all revenue received by the relevant Project SPV is generated from a single customer, namely the Karnataka Public Works Department, through fixed bi-annual annuity payments under a concession agreement which expires in April 2014.

Similarly, revenue from most of our power projects is from one or two customers who are obligated to pay fixed minimum amounts each month under the terms of the relevant power purchase agreements. Gautami power station will supply all of its electricity to APTRANSCO under a power purchase agreement for a 15-year period from the commercial operations date. The KVK Nilachal power station project will supply most of its power to PTC India Limited, a GoI controlled entity, and the Grid Corporation of Orissa for a 25-year period from the commercial operations date.

We cannot assure you that the government entities will pay the relevant Project SPVs the contracted amounts on time, or at all. In addition we cannot assure you that in the event any customers of our power stations fail to pay the Project SPVs, the existing security arrangements, in most cases consisting only of a letter of credit, would adequately cover the Project SPV for payments due. Any material failure on the part of any customers to fulfil its respective obligations under its agreement with the Project SPV would have an adverse effect on the Project SPVs financial results and business prospects which may, in turn, adversely affect our dividend from, and recovery of the Company's investment in, such Project SPV.

37. ***Our ability to develop a profitable power trading business is dependent on the success of our trading, marketing and risk management policies which may not work as planned.***

We plan to trade a portion of the power from the KVK Nilachal power station when this power station achieves commercial operation. Our ability to develop a profitable power business is in large part dependent on the success of our trading, marketing and risk management policies and strategies. We have no experience in the business of power trading, nor do we currently have any such trading, marketing and risk management policies and strategies in place. Thus, our trading, marketing and risk management procedures may not always be followed or may not work as planned. As a result, we cannot predict with precision the impact that trading, marketing and risk management decision may have on the financial results and business prospects of the relevant Project SPV.

In addition, the relevant Project SPV's trading, marketing and risk management activities are exposed to the risk that counterparties that owe it money or energy will breach their obligations. Should counterparties fail to perform, the Project SPV may be forced to enter into hedging arrangements or honour the underlying commitment at then-current market prices. In that event, the Project SPV's financial results are likely to be adversely affected and it may incur losses which may, in turn, adversely affect the dividend received from, and recovery of the Company's investment in such Project SPV.

38. ***If the operation of the power station assets is disrupted, it would have a material adverse effect on the relevant Project SPV's financial condition and results of operation.***

As thermal power stations are complex, operate at high temperature and involve the use of hazardous materials, the power business is particularly susceptible to industrial accidents. Further, power station projects rely on sophisticated and complex machinery that is built by third parties and is susceptible to malfunction. This is particularly true in the current industry environment, which involves rapid technological developments and often involves the installation of newly developed equipment which has not been extensively field tested. Although in certain cases manufacturers provide warranties and performance guarantees, and may be required to compensate the Project SPVs for certain equipment failures, engineering and design defects, such arrangements are subject to time limits, fixed liability caps and may not fully compensate for the damage that the Project SPV suffers as a result of equipment failures, engineering and design defects, or the penalties under agreements with its customers. There can be no assurance that any accidents or malfunctions involving assets of the Project SPVs will not have an adverse effect on the Project SPV's financial results and business prospects which may, in turn, adversely affect the dividend received from, and recovery of the Company's investment in, such Project SPV.

39. ***Infrastructure development has substantial capital requirements and may require additional financing in the form of debt or equity to meet budgetary and operating expenses, and we may not be able to raise the required capital.***

Infrastructure projects are typically capital intensive and require high levels of debt financing. We intend to pursue a strategy of continued investment in infrastructure development projects. Our available financial resources for implementing these projects, based on our internal studies and estimates, may be inadequate and the project development may face cost overruns. The actual amount and timing of future capital requirements may differ from our estimates.

If the Company decides to meet its capital requirements through debt financing, the Company's interest obligations will increase and it may be subject to additional restrictive covenants that may affect its ability to undertake future BOT/BOOT projects.

The Company has so far been able to arrange for debt financing for its BOT/BOOT projects on acceptable terms at the Project SPV level. We cannot assure you that market conditions and other factors will permit future financing of BOT/BOOT projects on commercially acceptable terms. Our ability to continue to arrange for financing on a substantially non-recourse basis for our BOT/BOOT projects and the costs of such capital is dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the success of our current BOT/BOOT projects including our ability to secure favourable power purchase, fuel supply and operation and maintenance agreements, and other factors outside our control. In addition, lenders may require the Company to invest increased amounts of equity in a project in connection with both new loans and the extension of facilities under existing loans.

If the Company decides to raise additional funds through the issuance of equity or equity-linked instruments, the interests of existing shareholders will be diluted.

The Company's ability to raise funds, either through equity or debt, is limited by certain restrictions imposed under Indian law. We cannot assure you that the Company will be able to raise adequate capital in a timely manner and on acceptable terms or at all. The Company's failure to obtain adequate financing may result in a delay, scaling back, or abandonment of existing or future projects.

40. ***The Bangalore-Maddur road project is subject to a loan agreement pursuant to which lenders may convert interest that the Project SPV has failed to pay into equity of such Project SPV.***

As of March 31, 2007, the Company has a 33.3% participation interest in Brindavan Infrastructure. Under the loan agreement for the Bangalore-Maddur road project, if there has been a default in the payment of interest, lenders have the right to convert the outstanding unpaid interest into fully-paid equity shares of the Project SPV. Such conversions may be exercised on more than one occasion, whenever there is an interest payment default on the loan. The occurrence of such conversions reduces the Company's effective shareholding in the Project SPV, thereby reducing the value of the Company's investment in the Project SPV and the amount of any dividends it is entitled to. For further details, see the section "Business – Financing and Security Arrangements for Infrastructure Development Projects" beginning on page 100 of this Red Herring Prospectus.

Risks Related to the Company

41. ***There are legal and regulatory proceedings that have been initiated against us in connection with our business.***

The Company is party to litigation matters that are in the ordinary course of business.

These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. Although the Company intends to defend or appeal these lawsuits, it may be required to devote management and financial resources to such actions. An adverse outcome in any of these proceedings could have a material adverse effect on the financial results and prospects of the Company. For further details on these proceedings, see the section "Outstanding Litigation and Material Developments" beginning on page 256 of this Red Herring Prospectus.

42. ***The Company has pledged or has agreed to pledge and will continue to pledge a significant portion of its equity interest in our Project SPVs in favour of lenders, who may exercise their rights under the respective pledge agreements in the event of a default.***

The Company has pledged, or has agreed to pledge, between 51.0% and 100.0% (which may decrease after the commercial operations date has been achieved) of the equity interest it holds in Project SPVs in favour of lenders as security for the loans provided to these Project SPVs. If these Project SPVs default in their obligations under the relevant financing agreements, the lenders may exercise their rights under such agreements, have the equity interests transferred to their names and take management control over the pledged companies. If this happens, the Company will lose the value of any such interest in such Project SPV. For further details, see the section "History and Certain Corporate Matters" beginning on page 116 of this Red Herring Prospectus.

43. ***We have substantial indebtedness and will continue to have substantial indebtedness and debt service obligations following the Issue.***

As of March 31, 2007, the Company had total indebtedness on an unconsolidated basis of Rs. 4,302.86 million, which represents a debt to equity ratio of 1.62 to 1 and on a consolidated basis, total indebtedness of 4,963.68 million, which represents a debt to equity ratio of 1.91 to 1. The Company's high degree of leverage could have significant consequences to our shareholders and its future financial results and business prospects, including:

- increasing our vulnerability to a downturn in business in India and inflation;
- limiting the Company's ability to pursue its growth plans and expansion of existing BOT/BOOT projects;
- requiring us to dedicate a substantial portion of its cash flow from operations to service debt, thereby reducing the availability of cash flow to fund capital expenditures, meet working capital requirements and use for other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in its business and the industry in which it operates; or
- placing us at a competitive disadvantage to any of its competitors that have less debt;

- requiring us to meet additional financial covenants; and
- limiting our ability to raise additional funds or refinance existing indebtedness.

We cannot assure you that our business will generate cash in an amount sufficient to enable us to service our debt or fund other liquidity needs. In addition, we may need to refinance all or a portion of its debt on or before maturity. Recently, interest rates for borrowings have increased in India, which may increase the cost of our borrowing. We cannot assure you that the Company will be able to refinance any of its debt on commercially reasonable terms, or at all. One of the Company's Promoters has given personal guarantees as collateral security for amounts borrowed under certain long-term and short-term loan agreements. We cannot assure you that this Promoter will pay or be able to pay the entire amount called under such collateral security in the event that he is required to do so.

For more information regarding our indebtedness, see the section "Management's Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness" and "Our Indebtedness" beginning on pages 213 and 249, respectively, of this Red Herring Prospectus.

44. On an unconsolidated basis, the Company has in the past experienced negative cash flows from operating activities.

For fiscal 2007 and 2005, the Company on an unconsolidated basis had a negative cash flow from operating activities of Rs. 650.14 million and Rs. 393.29 million, respectively. For details, see the section "Managements' Discussion and Analysis of Financial Condition and Results of Operation" beginning on page 213 of this Red Herring Prospectus.

45. We are subject to restrictive covenants in certain debt facilities provided to us by our lenders and under certain shareholders' agreements.

There are certain restrictive covenants in the agreements the Company has entered into with lenders. These restrictive covenants require it to obtain the prior written consent of lenders for, among other things, changes in the Company's capital structure, issue of new shares and disposing of a substantial portion of its assets. There can be no assurance that the Company will be able to comply with these financial or other covenants or that it will be able to obtain the consents necessary to take the actions it believes are necessary to operate and grow its business or which are in the interest of its shareholders. For details of the restrictive covenants in our debt facilities, see the section "Our Indebtedness" beginning on page 249 of this Red Herring Prospectus.

The shareholders' agreements for our Project SPVs also include certain restrictive covenants, including, transfer restrictions and veto rights over certain enumerated major decisions that affect our rights as shareholders or our investment in such Project SPVs. For details of the restrictive covenants in the shareholders' agreements, see the section "History and Certain Corporate Matters—Shareholders' Agreements" beginning on page 137 of this Red Herring Prospectus.

46. We have a number of contingent liabilities and our profitability could be adversely affected if any of these contingent liabilities materialise.

The Company's contingent liabilities as of March 31, 2007, on an unconsolidated basis, amounted to Rs. 491.51 million. The Company's profit after tax for the year ended March 31, 2007, on an unconsolidated basis was Rs. 550.08 million. If any of these contingent liabilities materialise, our profitability may be adversely affected. For more detailed descriptions of our contingent liabilities, see the section "Financial Statements" beginning on page F-1 of this Red Herring Prospectus.

47. Increases in interest rates may materially impact our results of operations.

As both our construction business and infrastructure development business are capital intensive, the Company is exposed to interest rate risk. The Company is seeking to finance growth in the construction business in part, with debt, which means that any increase in interest expense may have an adverse effect on the Company's financial results and business prospects. The Company's current debt facilities carry interest at fixed rates with the provision for periodic reset of interest rates as well as variable rates. As of March 31, 2007, Rs. 1,602.9 million, or 37.3% of the Company's total debt was subject to variable rates.

In view of the high debt to equity ratios of the Project SPVs, typically 3 to 1 or 4 to 1, an increase in interest expense at the Project SPV level is likely to have a significant adverse effect on the Project SPV's financial results and also increase the cost of capital to the Company which will, in turn, reduce the value of BOT/BOOT projects to the Company.

Although the Company may decide to engage in interest rate hedging transactions or exercise the right available to the Company to terminate the current debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that it will be able to do so on commercially reasonable terms, that its counterparties will perform their obligations, or that these agreements, if entered into, will protect it fully against interest rate risk.

48. The requirements of being a public company may strain our resources and distract management.

The Company has no experience as a public company or with the increased scrutiny of its affairs by shareholders, regulators and the public at large that is associated with being a public company. As a public company, the Company will incur significant legal, accounting, corporate governance and other expenses that it did not incur as a private company. The Company will be subject to the provisions of the listing agreements signed with the Stock Exchanges which require it to file unaudited financial results on a quarterly basis. In the past, the Company has experienced delays in obtaining financial information from Associates. If such delays were to continue, it may fail to satisfy its reporting obligations and/or it may not be able to readily determine and accordingly report any changes in the Company's results of operations as timely as other listed companies.

In order to maintain and improve the effectiveness of the Company's disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on the Company's financial results and business prospects. In addition, the Company will need to hire additional legal and accounting staff with appropriate public company experience and technical accounting knowledge and we cannot assure you that the Company will be able to do so in a timely manner.

49. The Company recognises revenue based on the "Percentage of Completion Method" of accounting on the basis of surveys of the stage of completion. The Company's revenues may fluctuate significantly from period to period.

The Company recognises revenue generated from its construction contracts on the "Percentage of Completion Method" of accounting. Under this method, revenue is recognised based on the stage of completion. Percentage of completion is determined on the basis of surveys performed. However, profit is not recognised unless there is reasonable progress on the contract. In case the actual work is lower than the work estimated in the survey, the Company's reported profits could be lower.

In the event of any change in law or Indian GAAP which requires a change in the method of revenue recognition, the Company's financial results may be adversely affected. For the details of the method of revenue recognition, see the section "Management's Discussion and Analysis of Financial Conditions and Results of Operations — Critical Accounting Policies" beginning on page 222 of this Red Herring Prospectus.

50. Our statements regarding our Orderbook may not be representative of our future results.

The Company defines Orderbook as revenues from projects (i) awarded to us on a prior date and in respect of which we entered into signed agreements or have letters of award or work orders and (ii) for which we have commenced work but not recognized revenue under the percentage of completion method or for which work had not yet commenced. The Company's Orderbook is not audited and may not reflect the Company's financial results. Although projects in the Orderbook represent business that the Company considers firm, performance of work related to the Orderbook may not be realized as planned and/or cancellations or adjustments to the scope of work may occur. For example, before the Company can begin work, its performance frequently depends on it or a third party satisfying certain conditions precedent such as providing a performance bond, financial closure under the contract terms being achieved, or securing all government approvals, the timing of all of these which it may not always be able to control. Thus, the Company cannot predict with certainty when or if the projects in its Orderbook will be performed and will generate revenue. If the Company does not achieve its expected margins or suffers losses on one or more of these contracts, this could reduce its net income or cause it to incur a loss. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed or dispute the amounts owed to the Company. There may also be delays associated with collection of receivables from clients. Any delay, cancellation or payment default could materially harm our cash flow position, revenues or profits, and adversely affect the trading price of our Equity Shares. Investors are cautioned against placing undue reliance on this information.

51. While the Company declared dividends in fiscal 2005, 2006 and 2007, we cannot assure you that the Company will make dividend payments in the future.

While the Company declared dividends in fiscal 2005, 2006 and 2007, the Company may not pay dividends in the future. Such payments will depend upon a number of factors, including the Company's consolidated and stand-alone results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board.

52. The Company has not entered into any definitive agreements to utilise the proceeds of the Issue.

The Company intends to use the proceeds of the Issue for investment in its Associates, Bangalore Elevated Tollway, KVK Nilachal Power and SV Power, purchase of construction equipment and general corporate purposes.

The investment in Bangalore Elevated Tollway, KVK Nilachal Power and SV Power is by way of equity contribution pursuant to the shareholders' agreements signed by the Company. Upon such investment, the Company will continue to own less than or equal to 50.0% equity interest in these Associates. The Company does not expect to earn any significant income (which will primarily be in the form of dividends) from these Associates in the near future as these projects are either in the construction or development phase. There is a risk of failure of the object and the project in case the other partners do not bring in the additional monies.

The Company has not entered into any definitive agreements to utilise a certain portion of the net proceeds. The Company's expenditure plans are based on management estimates and have not been appraised by any bank or financial institution or any other independent organisation. There can be no assurance that the Company will be able to conclude definitive agreements for such investment on terms anticipated by us or at all. In the event the Company is unable to conclude definitive agreements for such investments, the Board will invest the proceeds in such other projects which may be awarded to the Company in the future. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our management. We intend to rely on our internal systems and controls to monitor the use of such proceeds.

53. The allocation of Equity Shares pursuant to our Employee Stock Option Scheme 2007 may result in a charge to the Company's income statement and may adversely impact its net income.

The Company has adopted the Employee Stock Option Scheme 2007 ("ESOP 2007") under which eligible employees and Directors of the Company are able to participate up to an aggregate of 2% of the paid-up shares of the Company, subject to the listing of the Equity Shares of the Company. On April 14, 2007, a grant of options to acquire an aggregate of 644,967 Equity Shares was made to certain employees and Directors of the Company at an exercise price which is the Issue Price. These options vest in four instalments, commencing one year from the date of grant. See the section "Capital Structure" beginning on page 17 of this Red Herring Prospectus.

Under Indian GAAP, the grant of stock options may result in a charge to the Company's profit and loss account based on the difference between the exercise price determined at the date of the grant of options and the fair market value of the options. This expense will be amortised over the vesting period of the options.

As a purchaser of Equity Shares in this Issue, you will experience dilution of your shareholding to the extent that we issue Equity Shares pursuant to any stock options issued under the ESOP 2007.

On February 28, 2007, the GoI announced its intention to subject stock options issued under employee stock option plans, such as ESOP 2007, to a fringe benefit tax ("FBT"). However, the method of determining the value of the "fringe benefit" has not been provided. We expect that the imposition of the fringe benefit tax may create an additional charge to our income statement.

54. The Company does not currently own the premises at which our registered office is located.

The Company does not currently own the premises at which its registered office and its corporate office are located. The Company has lease arrangements with various third parties and pays rent for the occupation of these premises. These leases may be renewed subject to mutual consent of the lessors and the Company. In the event that any or all of the lessors require the Company to vacate the premises, it will have to seek new premises at short notice and for a price that may be higher than what it is currently paying, which may affect its ability to conduct its business or increase its operating costs.

55. The Company has entered into transactions with related parties.

The Company has, in the course of our business, entered into transactions with related parties, including the Promoter Group, Directors and the Company's employees. For detailed information on our related party transactions, see the section "Related Party Transactions" beginning on page 211 of this Red Herring Prospectus. Further, it is possible that our business will involve transactions with such related parties, in the future.

56. Our Promoters and Directors have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.

The Company's Promoters are interested in the Company to the extent of their shareholding in the Company. The Company's Directors may also be regarded as interested in the Equity Shares, if any, held 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 the ESOP 2007 or this Issue.

All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. For more details, see the sections, "Capital Structure", "Our Management" and "Related Party Transactions" beginning on pages 17, 156 and 211, respectively, of this Red Herring Prospectus.

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

The Company has issued the following Equity Shares on December 31, 2006, at a price which may be lower than the Issue Price:

Name of the Shareholder	Whether Belongs to Promoter Group	Number of Equity Shares	Issue Price (Rs.)	Reasons for Issue
B. Teja Raju	Yes	1,192,000	N.A.	Bonus issue
SNR Investments Private Limited	Yes	4,200,000	N.A.	Bonus issue
Veeyes Investments Private Limited	Yes	4,200,000	N.A.	Bonus issue
B. Ramalinga Raju	Yes	3,883,360	N.A.	Bonus issue
B. Ramalinga Raju-HUF	Yes	530,000	N.A.	Bonus issue
B. Nandini Raju	Yes	2,058,800	N.A.	Bonus issue
B. Rama Raju Jr.	Yes	1,188,000	N.A.	Bonus issue
Highgrace Investments Private Limited	No	4,200,000	N.A.	Bonus issue
Elem Investments Private Limited	No	4,200,000	N.A.	Bonus issue
Fincity Investments Private Limited	No	4,200,000	N.A.	Bonus issue
B. Suryanarayana Raju	No	2,024,800	N.A.	Bonus issue
B. Rama Raju, Sr.	No	4,114,480	N.A.	Bonus issue
B. Appala Narasamma	No	314,000	N.A.	Bonus issue
B. Suryanarayana Raju-HUF	No	308,000	N.A.	Bonus issue
B. Jhansi Rani	No	1,106,360	N.A.	Bonus issue
B. Rama Raju-HUF	No	219,600	N.A.	Bonus issue
B. Radha	No	2,060,600	N.A.	Bonus issue

58. ***The Promoter Group will have the ability to direct the Company's business and affairs. Their interests may conflict with your interests as a shareholder.***

After the completion of the Issue, the Promoter Group will control, directly or indirectly, 36.6% of the Company's outstanding Equity Shares. As a result, the Promoter Group will continue to exercise significant control over the Company and all matters requiring shareholder approval, including timing and distribution of dividends, election of officers and directors, our business strategy and policies, approval of significant corporate transactions such as mergers and business combinations and sale of assets. This control could also have the effect of delaying, preventing, or deterring a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if such transaction may be beneficial to the Company's other shareholders. The interests of the Promoter Group as the Company's controlling shareholder could conflict with the Company's interests or the interests of its other shareholders. We cannot assure you that the Promoter Group will act to resolve any conflicts of interest in the Company's favour.

59. ***The Promoter Directors and a Promoter Group entity, Vajra Seaport, are engaged in business activities similar to ours.***

The Promoter Directors and a Promoter Group entity, Vajra Seaport are engaged in business activities similar to those undertaken by the Company such as construction and civil engineering and this could give rise to conflicts of interest. In addition, attention to the other Promoter Group entities may distract or dilute management attention from our business, which could adversely affect the Company's financial results and business prospects. For further details, see the section "Our Promoters and Promoter Group Companies" beginning on page 167 of this Red Herring Prospectus.

60. Some of the Promoters and Promoter Group entities have incurred losses.

Some of the Promoters and Promoter Group entities have, in recent years, fiscal 2006 being the most recently available information, incurred losses or have a negative net worth, as set forth in the table below:

(Rs. in thousands)

Promoter / Promoter Group	Loss		
	Fiscal 2004	**Fiscal 2005**	**Fiscal 2006**
Promoters			
SNR Investments Private Limited	(9,903)	(8,529)	
Veeyes Investments Private Limited	(10,036.37)	(1,699.40)	(4,378.75)
Promoter Group			
Alaknanda Agro Farms Private Limited			(182)
Anuradha Greenlands Private Limited		(173)	(337)
Bharani Agro Private Limited		(64)	
Coastline Farms Private Limited			(198)
Mahanadi Bio-Tech Private Limited			(279)
Oceanic Farms Private Limited		(2,339)	(2,340)
SRSR Advisory Services Private Limited		(318)	

61. There are certain legal proceedings involving Directors and Promoters of the Company and members of the Promoter Group entities.

The Directors and Promoters of the Company and members of the Promoter Group are parties to certain legal proceedings initiated by or against such parties. These proceedings are pending at different levels of adjudication before various courts and appellate tribunals. As on date, there are four outstanding legal proceedings involving such Directors, Promoters and members of the Promoter Group, which involve an aggregate amount of approximately Rs. 12.49 million. For further details, see the section "Outstanding Litigation and Material Developments" beginning on page 256 of this Red Herring Prospectus.

External Risk Factors

62. Demand for infrastructure services in India depends on economic growth.

Road, power and port businesses, like those of many other countries, are dependent on the level of domestic, regional and global economic growth, international trade and consumer spending. The rate of growth of India's economy and of the demand for power and infrastructure services in India may not be as high, or may not be sustained for as long, as we have anticipated. During periods of robust economic growth, demand for such services may grow at rates as great as, or even greater than, that of the gross domestic product or "GDP". On the other hand, during periods of slow growth, such demand may exhibit slow or even negative growth. There can be no assurance that future fluctuations of the economic or business cycle, or other events that could influence GDP growth, will not have an adverse effect on the Company's financial results and business prospects, as well as the price of our equity shares.

63. Significant shortages in the supply of crude oil or natural gas could adversely affect the Indian economy, which could adversely affect us.

India imports approximately 75.0% of its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors such as the level of global production and political factors such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil and natural gas reserves are located. Global crude oil prices have risen significantly in recent years, driven in part by the strong demand for imported oil in India and China. Any significant increase in oil prices could affect the Indian economy, including the construction sector. This could adversely affect the Company's business including its ability to grow, its financial performance, its ability to implement its strategy and the price of the Company's Equity Shares.

64. The power sector in India is in the process of deregulation and our success will depend on our ability to respond to the changes that are taking place.

We may not be able to respond in a timely or effective manner to the many changes taking place in the power sector. These changes are, among other things, intended to increase competition. The Electricity Act of 2003 passed by the Indian Parliament in May, 2003 (the "Electricity Act") provides for significant deregulation of the power sector and envisions a comprehensive change in the current regulatory structure, pursuant to which the Government owns nearly all generation and transmission and distribution businesses and there are only a limited number of distribution licencees and independent power producers. The Electricity Act permits new generation plants to come into existence without restriction, except for limited approval requirements for hydro generation plants.

The Electricity Act only provides a framework, and we cannot predict whether and in what manner the Government will adopt legislation relating to deregulation of the power sector. There can be no assurance that we will be able to respond to such changes, compete effectively or acquire or develop new power plants in the future, and any failure to do so could have a material adverse effect on our business prospects and results of operations.

65. Our flexibility in managing our operations is limited by the regulatory environment in which we operate.

The infrastructure sector in India, particularly in relation to power, road, and port industries, is highly regulated. Our businesses are regulated by various authorities and state governments, including the Ministry of Shipping, Road Transport and Highways, the NHAI, the Ministry of Power, state governments and the GoI. In addition to complying with regulations and directives, we are also required to adhere to the terms of our concession agreements and power purchase agreement. Any material breach of these agreements, or any adverse change in the applicable regulations, could have an adverse effect on the financial results and business prospects of the Project SPVs. Further, for each of the road, power and port projects, we may be restricted in our ability to, among other things, increase prices, sell our interests to third parties, undertake expansions and contract with customers. These restrictions may limit our flexibility in operating our business.

To conduct our infrastructure development business, we must obtain various licences, permits and approvals. Even when we obtain the required licences, permits and approvals, our operations are subject to continued review and the governing regulations and their implementation are subject to change. We cannot assure you that we will be able to obtain and comply with all necessary licences, permits and approvals required for our BOT/BOOT projects, or that changes in the governing regulations or the methods of implementation will not occur. If we fail to comply with all applicable regulations or if the regulations governing our infrastructure development business or their implementation change, our Project SPVs may incur increased costs or be subject to penalties, which could disrupt their operations and adversely affect their financial results and business prospects.

The regulatory framework, which consists of regulations and directives issued by government entities, has changed significantly in recent years and their impact and ramifications are still unclear. We expect that certain additional reforms, including change of the current regulatory bodies and existing legal framework, will take place in the next few years. See the section "Regulations and Policies" beginning on page 112 of this Red Herring Prospectus.

66. Non-compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, financial condition and results of operations.

Some of our projects are subject to extensive government and environmental laws and regulations which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our businesses. These laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act 1974 and other regulations promulgated by the Ministry of Environment and the Pollution Control Boards of the relevant states. In addition, some of our operations are subject to risks involving personal injury, loss of life, environmental damage and severe damage to property.

We believe environmental regulation of industrial activities in India will become more stringent in the future. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by government entities and our compliance costs may significantly exceed our estimates. If we fail to meet environmental requirements, we may also be subject to administrative, civil and criminal proceedings by government entities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as revocation of approvals and permits and orders that could limit or halt our operations. For example, one of our joint ventures has paid fines to the Ministry of Environment and Forests for discharge of industrial waste into the Beas River. There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material. Clean-up and remediation costs, as well as damages, other liabilities and related litigation, could adversely affect our business, financial condition and results of operations.

67. ***Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect the Company's results of operations. In addition, the Company currently enjoy certain tax benefits, which may not be available to us in the future.***

Currently the Company has claimed certain tax credits under Section 80 IA of the Income Tax Act, 1961, relating to infrastructure development projects which decrease the effective tax rates compared to the statutory tax rates. There can be no assurance that these tax incentives will continue in the future or that such tax credits shall be held to be available to it. The non-availability of these tax incentives could adversely affect our financial condition and results of operations.

68. ***Natural calamities and force majeure events may have an adverse impact on our business.***

Constructions of infrastructure projects involve a number of hazards including earthquakes, flooding, tsunamis and landslides. Natural disasters may cause significant interruption to our operations, disruption to our project sites and damage to the environment that could have a material adverse impact on us. India has experienced natural calamities such as earthquakes, floods, drought and a tsunami in recent years. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and the price of our Equity Shares.

69. ***Seasonality and inclement weather conditions may have an adverse impact on our business.***

Our business operations may be adversely affected by severe weather conditions, which may require the evacuation of personnel, suspension or curtailment of operations, result in damage to construction sites or delays in the delivery of materials. Collectively, the effect may be to cause delays to our contract schedules and generally reduce our productivity. Our operations are also adversely affected by difficult working conditions and high temperatures during summer months and during the monsoon season which restricts our ability to carry on construction activities and fully utilise our resources. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our income from operations may be delayed or reduced.

Risk Factors Related to India and Investment in Shares

70. ***Political, economic and social changes in India could adversely affect our business.***

The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of the Company's shares, may be affected by changes in the GoI's policies, including taxation. Social, political, economic or other developments in or affecting India could also adversely affect our business.

Since 1991, successive governments have pursued policies of economic liberalisation and financial sector reforms including significantly relaxing restrictions on the private sector. The current Government is a coalition of several parties, including parties that are part of the Left Front, and the withdrawal of support by any party could result in general elections and the formation of a new Government. The rate of economic liberalisation could change, and specific laws and policies affecting infrastructure projects, foreign investment and other matters affecting investment in the Company's Equity Shares could change as well. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of the Company's Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards infrastructure, which may in turn adversely affect our financial performance and our ability to implement our strategy and increase our participation in the infrastructure sector.

71. Restrictions on foreign investment in certain infrastructure sectors limit our ability to raise debt or capital outside India.

Indian laws constrain the Company's ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to acquire us. Generally, foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Board of India and the Foreign Investment Promotion Board in certain cases. Currently, companies in the road, port and power sectors are entitled to receive 100% foreign investment without prior government approval.

The Company's ability to obtain investments, or be acquired by foreign companies, may be limited because of the cap on the foreign equity ownership of such companies and the need to obtain the prior approval of the GoI for such investment or acquisition. In addition, making investments in, or the acquisition of, a foreign company by the Company requires various approvals from the GoI. The Company or the foreign investors may not be able to obtain such approval from the relevant Indian or foreign authorities. If the GoI does not approve the investment or acquisition, or introduces new laws further restricting foreign equity ownership of infrastructure companies, the Company's ability to obtain investments and be acquired by foreign companies will be limited. This may have a material adverse effect on its growth and financial results.

72. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which the Company's Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Company's Equity Shares.

In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of the Company's Equity Shares.

73. After this Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.

The price of the Company's Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of the Company's operations, the performance of its competitors, developments in the Indian construction and infrastructure development sector, changing perceptions in the market about investments in these sectors in India, adverse media reports on the Company or the Indian infrastructure sector, changes in the estimates of the Company's performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations.

Prior to this Issue, there has been no public market for the Company's Equity Shares, and an active trading market on the Stock Exchange may not develop or be sustained after the Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

74. ***Any future issuance of Equity Shares may dilute your shareholding and sales of the Company's Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by the Company, including in a primary offering, may lead to the dilution of investors' shareholdings in the Company. Any future equity issuances by the Company or sales of its Equity Shares by the Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Company's Equity Shares.

75. ***Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact the Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on the Company's financial results and business prospects, ability to obtain financing for capital expenditures and the price of the Company's Equity Shares.

76. ***The Company will need final listing and trading approvals from the BSE and the NSE before trading commences. An active market for the Equity Shares may not develop which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.***

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

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

Under the SEBI Guidelines, the Company is permitted to allot equity shares within 15 days of the Bid/Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your demat account with Depository Participants until approximately 15 days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account and final listing and trading approvals are received from the Stock Exchanges. The Company shall pay interest at 15.0% per annum, if Allotment is not made, refund orders are not dispatched to the applicant or if, in a case where the refund or portion thereof is made in electronic mode/manner, the refund instructions have not been given to clearing members, and/or demat credits are not made to investors within the 15 day time period prescribed above. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time periods.

Notes to Risk Factors:

1. Public Issue of 8,850,000 Equity Shares of Rs. 10 each for cash at a price of [●] per Equity Share, aggregating Rs. [●] million. The Issue will constitute 15.04% of the fully diluted post-Issue Equity Share capital of the Company.

2. The net worth of the Company was Rs. 2,652.6 million as of March 31, 2007, as per the restated standalone financial statements of the Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI Guidelines. For more information, see the section "Financial Statements" on page F-1 of this Red Herring Prospectus.

3. The book value per share of each Equity Share of Rs. 10 each was Rs. 53.05 as of March 31, 2007, as per the restated standalone financial statements of the Company prepared in accordance with Indian GAAP and the

Companies Act and restated in accordance with SEBI Guidelines. For more information, see the section "Financial Statements" on page F-1 of this Red Herring Prospectus.

4. The average cost of acquisition of the Equity Shares by our Promoter is Rs. 2.00 per Equity Share. The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking the average of the amount paid by him to acquire the Equity Shares issued by us, including bonus shares.

5. For related party transactions, refer to the section "Related Party Transactions" beginning on page 211 of this Red Herring Prospectus.

6. Other than as stated in the section "Capital Structure — Notes to the Capital Structure", the Company has not issued any Equity Shares for consideration other than cash.

7. For details of transactions in the securities of the Company by the Promoters, the Promoter Group and Directors in the last six months, see the section "Capital Structure — Notes to the Capital Structure" beginning on page 19 of this Red Herring Prospectus.

8. For information on changes in the Company's name and changes in objects clause of the Memorandum of Association of the Company, refer to the section "History and Certain Corporate Matters" beginning on page 116 of this Red Herring Prospectus.

9. Except as disclosed in the sections "Our Promoters and Promoter Group Companies" and "Our Management" beginning on pages 167 and 156, respectively, of this Red Herring Prospectus, respectively, none of the Promoters, Directors or key managerial employees have any interest in the Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner or trustee and to the extent of the benefits arising out of such shareholding.

10. In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allotted on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money with be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. For further details, see the section "Issue Structure" beginning on page 288 of this Red Herring Prospectus.

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

12. Investors may contact the BRLMs and the Syndicate Members for any complaints pertaining to the Issue.

13. Investors are advised to also refer to the section "Basis for the Issue Price" beginning on page 39 of this Red Herring Prospectus.

14. Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis. For more information, see the section "Issue Procedure - Allotment - Basis of Allotment" beginning on page 312 of this Red Herring Prospectus.

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

SECTION III: INTRODUCTION

SUMMARY

The following summary highlights information contained elsewhere in this Red Herring Prospectus. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information about us and our financial statements, including the notes thereto, appearing elsewhere in this Red Herring Prospectus. For a discussion of certain matters that should be considered by investors prior to making investments in our Equity Shares, see the section "Risk Factors" beginning on page xiii *of this Red Herring Prospectus.*

Overview

The Indian infrastructure industry is experiencing growth in expenditure. This growth is visible throughout the country in the form of new highways, roads, ports, railways, and airports; power systems; new townships, offices, houses and other buildings; urban/rural infrastructure, including water supply, sewerage, and drainage; irrigation and agriculture systems. The GoI and state governments have linked improved infrastructure in the transportation, energy, urban infrastructure, and industrial and commercial infrastructure sectors as the platform for promoting and sustaining economic growth. We believe that government focus on, and sustained increases in budgetary allocation for, infrastructure, and the development of more structured and comprehensive infrastructure policies that encourage greater private sector participation as well as the greater availability of funding for infrastructure projects from international and multilateral development financial institutions, should result in further, large infrastructure projects in India.

We are a construction company and infrastructure developer. Our business is organised into two parts – Construction as a contractor on a contract basis and Infrastructure Development which involves identifying, sourcing, developing, and operating projects in infrastructure sectors.

We were incorporated in 1988. We have approximately two decades of experience in the construction business. A significant part of our strategy is to capitalise on our belief that India will continue to experience strong and growing demand for infrastructure.

In our construction business, we have historically focused on the irrigation, roads and bridges, and buildings infrastructure sectors. We have completed, and continue to undertake, construction projects in these sectors across 12 states of India: Andhra Pradesh, Karnataka, Tamil Nadu, Orissa, Chhattisgarh, Madhya Pradesh, Maharashtra, Himachal Pradesh, Haryana, Gujarat, Uttar Pradesh, and Assam. More recently, we have diversified our portfolio of construction projects and are also undertaking civil construction projects in the power, industrial structures, oil and gas infrastructure, and railway sectors. The Company's Orderbook, inclusive of anticipated revenues derived from incomplete portions of existing contracts undertaken by its joint ventures, was Rs. 30,411.7 million as of March 31, 2007. Out of this, the Company's Orderbook on a stand-alone basis and excluding anticipated revenues derived from incomplete portions of existing contracts undertaken by our joint ventures, was Rs. 23,899.7 million as of March 31, 2007. We define Orderbook as anticipated revenues from uncompleted portions of existing contracts (signed contracts for which all pre-conditions to entry have been met, including letters of intent issued by the client) as of a certain date. We are also identifying suitable partners, and positioning ourselves for expected opportunities in the water and waste water management, special economic zones, urban infrastructure, ports and airport sectors as and when viable opportunities arise. We believe our experience, track record, and reputation allows us to secure pre-qualification approvals in a variety of infrastructure sectors in India, either in our own right or as a partner in a joint venture.

We are relatively new to the business of infrastructure development. In our infrastructure development business, we have completed one road project, and currently have six projects in the roads and power sectors either in the construction phase or in the pre-financial closure, development stage. Three additional infrastructure development projects are in the award stage.

Most of the work in both our construction business and infrastructure development business is won on a competitive bidding basis and, in most cases, the client is a government entity. When a client requires specific eligibility requirements for these projects, such as project experience, engineering capabilities, technical know-how, and financial resources, we may enter into project-specific joint ventures with other companies to meet and further enhance our credentials.

The Company's contract revenues on a restated unconsolidated basis have grown from Rs. 2,037.03 million in fiscal 2004 to Rs. 7,876.71 million in fiscal 2007, at a compound annual growth rate ("CAGR") of 57.0% and the Company's profit after tax has increased from Rs. 62.22 million in fiscal 2004 to Rs. 550.08 million in fiscal 2007, at a CAGR of 106.8%. This growth is mainly due to an increase in profits from the Company's participation in unincorporated joint ventures that are undertaking larger contracts. For the fiscal year ended March 31, 2007, the Company's contract revenues were Rs. 7,876.71 million. All of the Company's revenue to date has been from the construction business. As most of our infrastructure development projects are either in the construction or development phase, we do not expect to earn any significant revenue (which will primarily be in the form of dividends) from this business in the near future.

We have received a certificate from AQA International, LLC in respect of our quality management system (ISO 9001:2000, valid until February 27, 2009). This certification is accredited by the ANSI-ASQ National Accreditation Board.

Our Strengths

For details of our principal competitive strengths see the section "Business" beginning on page 59 of this Red Herring Prospectus.

Our Strategy

For details of our business strategy see the section "Business" beginning on page 59 of this Red Herring Prospectus.

THE ISSUE

Issue:	8,850,000 Equity Shares
Of which:	
QIB Portion[(1)]	At least 5,310,000 Equity Shares
Of which:	
Mutual Fund Portion	265,500 Equity Shares
Balance for all QIBs including Mutual Funds	5,044,500 Equity Shares
Non-Institutional Portion[(2)]	Not less than 885,000 Equity Shares available for allocation
Retail Portion[(2)]	Not less than 2,655,000 Equity Shares available for allocation
Equity Shares outstanding prior to the Issue	50,000,000 Equity Shares
Equity Shares outstanding after the Issue	58,850,000 Equity Shares
Use of Issue proceeds	See the section "Objects of the Issue" beginning on page 29 of this Red Herring Prospectus.

(1) Allocation to QIBs is proportionate as per the terms of this 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. **Further attention of all QIBs is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid-cum-Application Forms after 3 p.m. on the Bid/Issue Closing Date; and (b) each QIB, including a Mutual Fund, is required to deposit a Margin Amount of at least 10% with its Bid-cum-Application Form.**

(2) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and the Retail Portion, would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of the Company, in consultation with the BRLMs and the CBRLM.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the restated unconsolidated financial statements of the Company as of and for the fiscal years ended March 31, 2003, 2004, 2005, 2006 and 2007, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Guidelines and is included in the section “Financial Statements” beginning on page F-1 of this Red Herring Prospectus.

The Company has also prepared restated consolidated financial statements as of and for the year ended March 31, 2007. The audited consolidated financial statements for the year ended March 31, 2007 have also been included in the Red Herring Prospectus. For more information, see the sections “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages F-1 and 213, respectively, of the Red Herring Prospectus.

The summary financial information of the Company presented below should be read in conjunction with the respective financial statements and the notes (including accounting polices) thereto included in “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages F-1 and 213 respectively, of this Red Herring Prospectus.

Indian GAAP differs in certain significant respects from U.S. GAAP. For more information on these differences, see the section “Summary of Significant Differences Among Indian GAAP, U.S. GAAP and IFRS”, beginning on page 239 of this Red Herring Prospectus.

Summarised Restated Statement of Assets and Liabilities of Maytas Infra (Unconsolidated)

(All the amounts in Indian rupees in millions except for share data or as otherwise stated)

	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003
Fixed assets					
Gross block	1,507.47	560.22	310.95	264.03	287.04
Less: Accumulated depreciation	251.42	145.39	108.90	90.20	75.34
Net block	1,256.05	414.83	202.05	173.83	211.70
Capital work-in-progress (including capital advances)	390.04	27.14	-	-	-
	1,646.09	**441.97**	**202.05**	**173.83**	**211.70**
Investments	1,690.10	957.64	581.62	49.86	45.53
Current Assets, Loans and Advances					
Inventories	873.40	101.29	80.27	69.50	87.24
Cash and bank balances	548.10	215.40	180.86	151.22	113.81
Sundry debtors	2,283.78	858.60	642.02	436.96	356.42
Loans and advances	2,291.14	1,533.12	1,438.98	1,374.50	1,430.76
	9,332.61	**4,108.02**	**3,125.80**	**2,255.87**	**2,245.46**
Liabilities and provision					
Liabilities	2,256.56	820.05	622.24	583.18	620.97
Provisions	64.18	35.14	13.23	1.40	1.12
Secured loans	2,553.62	724.66	233.23	156.38	201.03
Unsecured loans	1,749.24	341.01	316.29	145.12	119.37
Deferred tax liability (net)	56.38	26.10	30.54	27.67	23.09
	6,679.98	**1,946.96**	**1,215.53**	**913.75**	**965.58**
Net worth	**2,652.63**	**2,161.06**	**1,910.27**	**1,342.12**	**1,279.88**
Represented by:					
Share capital					
Equity share capital	500.00	100.00	100.00	100.00	100.00
Reserves and surplus					
General reserve	65.23	15.24	15.24	15.24	15.24
Profit and loss account	2,087.40	2,045.82	1,795.03	1,226.88	1,164.66
Miscellaneous Expenses (to the extent not written off or adjusted)	-	-	-	-	(0.02)
Net worth	**2,652.63**	**2,161.06**	**1,910.27**	**1,342.12**	**1,279.88**

Summarised Restated Profit and Loss Statement of Maytas Infra (Unconsolidated)

(All the amounts in Indian rupees in millions except for share data or as otherwise stated)

	For the year ended 31 March, 2007	For the year ended 31 March, 2006	For the year ended 31 March, 2005	For the year ended 31 March, 2004	For the year ended 31 March, 2003
Income					
Contract revenues	7,876.71	3,883.73	2,886.71	2,037.03	1,200.99
Less: Company's share of turnover in integrated Joint Ventures	1,866.65	1,719.45	818.63	526.54	19.70
	6,010.06	**2,164.28**	**2,068.08**	**1,510.49**	**1,181.29**
Other income	39.01	10.46	569.28	26.65	25.18
Accretion/(Decretion) to Work in progress	357.67	57.97	(11.92)	(22.93)	11.39
	6,406.74	2,232.71	2,625.44	1,514.21	1,217.86
Expenditure					
Material consumed	1,658.69	352.35	237.99	137.06	127.26
Personnel expenses	205.09	75.42	38.69	33.90	26.20
Contract, administrative and selling expenses	3,538.18	1,430.98	1,589.11	1,221.35	979.26
Financial expenses	176.89	75.98	26.97	18.95	34.46
Depreciation	113.10	46.36	28.50	30.54	28.57
Miscellaneous expenses written off	-	-	-	0.02	0.05
Investments written off	-	-	-	-	-
	5,691.95	**1,981.09**	**1,921.26**	**1,441.82**	**1,195.80**
Add: Company's share in Profit/ (Loss) in integrated Joint Ventures	80.07	103.60	(10.60)	5.61	(7.25)
Profit before tax	**794.86**	**355.22**	**693.58**	**78.00**	**14.81**
Provision for taxation					
- Current tax	(210.00)	(96.14)	(111.26)	(11.19)	(3.94)
- Fringe benefit tax	(4.50)	(1.33)	-	-	-
- Deferred tax	(30.28)	4.44	(2.87)	(4.59)	(7.70)
Profit after tax	**550.08**	**262.19**	**579.45**	**62.22**	**3.17**
Add: Balance brought forward from previous years	2,045.82	1,795.03	1,226.88	1,164.66	1,186.49
Profit available for appropriation	**2,595.90**	**2,057.22**	**1,806.33**	**1,226.88**	**1,189.66**
Appropriations					
Proposed dividend	50.00	10.00	10.00	-	-
Dividend tax	8.50	1.40	1.30	-	-
General reserve	450.00	-	-	-	25.00
Surplus carried to Balance Sheet	**2,087.40**	**2,045.82**	**1,795.03**	**1,226.88**	**1,164.66**

GENERAL INFORMATION

The Company was incorporated as Satyam Constructions Private Limited on May 6, 1988. It became a deemed public company with effect from July 1, 1993 under Section 43A(1A) of the Companies Act and the word "private" was deleted from its name. The name of the Company was changed to "Maytas Infra Limited" pursuant to a special resolution of the shareholders of the Company at an EGM held on May 6, 1998. The fresh certificate of incorporation consequent upon the change of name was granted on June 1, 1998 by the RoC. The Company became a private limited company on May 7, 2002 pursuant to Section 43A(2A) of the Companies Act and the word "private" was added to its name. Subsequently, pursuant to a special resolution of the shareholders of the Company at an extraordinary general meeting held on December 30, 2006, the Company has become a public limited company and the word "private" has been deleted from its name. The certificate of incorporation to reflect the new name was issued on February 9, 2007, by the RoC.

Registered Office of the Company
6-3-1186/5/A, III Floor
Amogh Plaza, Begumpet
Hyderabad – 500 016, India
Tel: +91 40 2340 8100; +91 40 4003 7800; +91 40 4040 9333
Fax: +91 40 2340 1107
Website: www.maytasinfra.com

For details of changes in the Registered Office, see the section "History and Certain Corporate Matters" beginning on page 116 of this Red Herring Prospectus.

Corporate Identity Number: U45201AP1988PLC008624

The Company is registered at the Registrar of Companies, Andhra Pradesh, located at 2nd Floor, CPWD Building, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad – 500 195.

Board of Directors

The Company's Board of Directors comprises the following:

Name, Designation and Occupation	Age (years)	Address
R.C. Sinha *ChairmanIndependent and Non-Executive Director* Business	69	22, Buena Vista Gen. J Bhosle Marg Mumbai – 400 021 India
B. Teja Raju *Vice Chairman Non-Independent and Executive Director* Business	28	Plot no. 1254A, Road No. 63 Jubilee Hills Hyderabad – 500 033 India
P.K. Madhav *Non-Independent and Executive Director* Business	53	8-2-293/82/573/L, Road No. 82 Jubilee Hills Hyderabad – 500 033 India
C.S. Mohan *Independent and Non-Executive Director* Business	67	503, My Home Fern Hill Apartments, 6-3-891/1, Rajbhavan Road, Somajiguda Hyderabad – 500 082 India
Dr. R.P. Raju *Independent and Non-Executive Director* Business	59	Plot No.141, Road No.10 Jubilee Hills Hyderabad – 500 034 India

For further details regarding the Board of Directors, please see the section "Our Management" beginning on page 156 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

J. Veerraju
6-3-1186/5/A, III Floor
Amogh Plaza, Begumpet
Hyderabad – 500 016, India
Tel: +91 40 2340 8100, +91 40 4040 9333, +91 40 4003 7800
Fax: +91 40 2340 1107
Email: cs@maytasinfra.com

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 accounts and refund orders.

Book Running Lead Managers

DSP Merrill Lynch Limited
Mafatlal Centre, 10th Floor
Nariman Point Mumbai – 400 021, India
Tel: +91 22 2262 1071 Fax: +91 22 2262 1187
Email: maytasinfra_ipo@ml.com
Contact Person: N.S. Shekhar
Website: www.dspml.com
SEBI registration number: INM000002236

JM Financial Consultants Private Limited
141 Maker Chambers III,
Nariman Point, Mumbai – 400 021, India
Tel: +91 22 6630 3030 Fax: +91 22 2204 7185
E-mail: maytasinfra.ipo@jmfinancial.in
Contact Person: Poonam Karande
Website: www.jmfinancial.in
SEBI registration number: INM000010361

Co-Book Running Lead Manager

Kotak Mahindra Capital Company Limited
3rd Floor, Bakhtawar
229, Nariman Point
Mumbai – 400 021, India
Tel: +91 22 6634 1100 Fax: +91 22 2284 0492
Email: maytasinfra.ipo@kotak.com
Contact Person: Chandrakant Bhole
Website: www.kotak.com
SEBI registration number: INM000008704

Syndicate Members

JM Financial Services Private Limited
Apeejay House, 3, Dinshaw Vaccha Road
Churchgate, Mumbai – 400 020, India
Tel: +91 22 6704 3184, +91 22 6704 3185 Fax: +91 22 6654 1511
E-mail: maytasinfra.ipo@jmfinancial.in
Contact Person: Deepak Vaidya/T.N. Kumar
Website: www.jmfinancial.in
BSE SEBI registration number: INB011054831

Morgan Stanley India Company Private Limited
4/F Forbes Building, Charanjit Rai Marg, Fort
Mumbai – 400 001, India
Tel: +91 22 6621 0555 Fax: +91 22 6621 0556
Email: amit.h.shah@morganstanley.com
Contact Person: Amit Shah
Website: www.morganstanley.com
BSE SEBI registration number: INB011054237

Kotak Securities Limited
1st Floor, Bakhtawar 229, Nariman Point
Mumbai – 400 021, India
Tel: +91 22 6634 1100 Fax: +91 22 6630 3927
Email: umesh.gupta@kotak.com
Contact Person: Umesh Gupta
Website: www.kotak.com
SEBI registration number: INB010808153

Legal Advisors

Domestic Legal Counsel to the Company
S&R Associates
K 40, Connaught Circus, New Delhi – 110 001, India
Tel: + 91 11 4289 8000 Fax: + 91 11 4289 8001

Domestic Legal Counsel to the Underwriters

Luthra & Luthra Law Offices
103, Ashoka Estate, 24, Barakhamba Road
New Delhi – 110 001, India
Tel: +91 11 4121 5100 Fax: +91 11 2372 3909

International Legal Counsel to the Underwriters

Latham & Watkins LLP
9 Raffles Place# 42-02,
Republic Plaza, Singapore 048619, Singapore
Tel: +65 6536 1161 Fax: +65 6536 1171

Registrar to the Issue

Karvy Computershare Private Limited
"Karvy House", 46, Avenue 4
Street No.1, Banjara Hills
Hyderabad – 500 034, India
Tel: +91 40 2331 2454 Fax: +91 40 2331 1968
Email: maytasipo@karvy.com
Website: www.karvy.com
Contact Person: Murli Krishna
SEBI registration number: INR000000221

Bankers to the Issue and Escrow Collection Banks

BNP Paribas
1 Forbes, 6th Floor Dr. V.B. Gandhi Marg
Mumbai – 400 023
Tel: + 91 22 6618 2650/6618 2500
Fax: +91 22 6633 7521
Email: amar.kampani@asia.bnpparibas.com
Contact Person: Mr. Amar Kampani
Website: www.bnpparibas.co.in

Citibank N.A.
Citigroup Centre, C-61, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Tel: + 91 22 4001 5646 Fax: + 91 22 4006 5852
Email: divyesh.dalal@citi.com
Contact Person: Mr. Divyesh Dalal
Website: www.online.citibank.co.in

HDFC Bank Limited
26/A, Narayan Properties, Chandivali Farm Road
Sakinaka, Andheri (East)Mumbai – 400 072
Tel: + 91 22 2856 9009Fax: + 91 22 2856 9256
Email: Viral.Kothari@hdfcbank.com
Contact Person: Mr. Viral Kothari
Website: www.hdfcbank.com

ICICI Bank Limited
30, Mumbai Samachar Marg
Raha Bahadur Mansion
Fort, Mumbai – 400 001
Tel: + 91 22 2262 7600 Fax: + 91 22 2261 1138
Email: venkataraghavan.t@icicibank.com
Contact Person: Mr. Venkataraghavan T A
Website: www.icicibank.com

Kotak Mahindra Bank Limited
36-38 A, Nariman Bhavan 227,
Nariman Point, Mumbai – 400 021
Tel: + 91 22 6759 4850 Fax: + 91 22 6648 2710
Email: Ibrahim.sharief@kotak.com
Contact Person: Mr. Ibrahim Sharief
Website: www.kotak.com

Standard Chartered Bank
90, Mahatma Gandhi Road,
Fort, Mumbai – 400 001
Tel: + 91 22 2209 2213 Fax: + 91 22 2209 2216
Email: rajesh.malwade@in.standardchartered.com
Contact Person: Mr. Rajesh Malwade
Website: www.standardchartered.co.in

Joint Auditors

S.R. Batliboi & Associates, Chartered Accountants
205, 2nd Floor, Ashoka Bhoopal Chambers,
Sardar Patel Road, Secunderabad – 500 003, India
Tel: + 91 40 2789 8850 Fax: + 91 40 2789 8851
Contact Person: Ali Nyaz

Krishna & Prasad, Chartered Accountants
G-26, Ground Floor, R.B.V.R. Reddy Hostel Complex
Tilak Road, Hyderabad – 500 001, India
Tel: + 91 40 2475 7758 Fax: + 91 40 2475 7758
Email: plnfcahyd@yahoo.co.in
Contact Person: B. Vijaya Prasad

Bankers to the Company

Allahabad Bank
6-3-850/3, Srinivas Plaza, 1st Floor,
Ameerpet Main Road,
Hyderabad – 500 016, India
Tel: + 91 40 2341 1773 Fax: + 91 40 2341 1663
Email: albifhyd@vsnl.net
Contact Person: Mr. Aparup Roy
Website: www.allahabadbank.co.in

Bank of India
Q-3, A-2, 1st Floor, Cyber Towers,
Madhapur, Hyderabad – 500 033, India
Tel: + 91 40 2310 0512 Fax: + 91 40 2310 0513
Email: boihydsb1@sancharnet.in
Contact Person: Mr. A.P. Reddy
Website: www.bankofindia.co.in

Bank of Maharashtra
4-3-379, Sultan Bazar Branch
Bank Street, Hyderabad – 500 095, India
Tel: + 91 40 2475 6781 Fax: + 91 40 2475 6919
Email: bom19@mahabank.co.in
Contact Person: Mr. P.K. Sahu
Website: www.bankofmaharashtra.in

Central Bank of India
Corporate Finance Branch, Bank Street,
Koti, Hyderabad – 500 095, India
Tel: + 91 40 2346 8937 Fax: + 91 40 2346 8940
Email: agmhyde0808@centralbank.co.in
Contact Person: Mr. I. Umesh Rao
Website: www.centralbankofindia.co.in

Centurion Bank of Punjab Limited
Modern Centre C-Wing, Ground Floor,
Sane Guruji Marg, Mahalaxmi
Mumbai – 400 011, India
Tel: + 91 22 6754 0000 Fax: + 91 22 6754 0011
Email: s.ramkumar@centurionbop.co.in
Contact Person: Mr. Ram Kumar
Website: www.centurionbop.co.in

ICICI Bank Limited
ICICI Bank Towers, Level I, West Wing1-11-256,
Street No. 1, Begumpet, Hyderabad – 500 016, India
Tel: + 91 40 2778 4135 Fax: + 91 40 6633 5811
Email: cibdhyd@icicibank.com
Contact Person: Mr. Krishnan Ganesh
Website: www.icicibank.com

Industrial Development Bank of India Limited
Basheerbagh Branch, Mahavir House,
Basheerbagh Square,
Hyderabad – 500 029, India
Tel: + 91 40 6674 6008 Fax: + 91 40 6674 6111
Email: krishna_k@idbibank.com
Contact Person: Mr. K. Krishna Prashanth
Website: www.idbibank.com

Punjab National Bank
R.P. Road, Secunderabad – 500 003, India
Tel: + 91 40 6596 4849 Fax: + 91 40 6596 4849
Email: bo421@pnb.co.in
Contact Person: Mr. B.S. Rao
Website: www.pnbindia.com

State Bank of India
1st Floor, Navabharath Chambers
Rajbhavan Road, Somajiguda
Hyderabad – 500 082, India
Tel: + 91 40 2340 0904 Fax: + 91 40 2340 3862
Email: sa.09103@sbi.co.in
Contact Person: Mr. M. Rama Rao
Website: www.sbi.com

UTI Bank Limited
6-3-879/B, G. Pulla Reddy Building
Greenlands, Hyderabad – 500 016, India
Tel: + 91 40 2340 0731 Fax: + 91 40 2340 7184
Email: k.srinivas@utibank.co.in
Contact Person: Mr. K. Srinivas
Website: www.utibank.com

BNP Paribas
6-3-883/5, Panjagutta
Hyderabad – 500 082, India
Tel: + 91 40 6651 1003/6651 1009
Fax: + 91 40 2341 0842
Email: revathi.swaminathan@asia.bnpparibas.com
Contact Person: Ms. Revathi Swaminathan
Website: www.bnpparibas.com

Kotak Mahindra Bank
6-3-1109/1/P202, 3rd floor,
Jewel Pavani Towers, Rajbhavan Road,
Somajiguda, Hyderabad – 500 082, India
Tel: + 91 40 6453 8627 Fax: + 91 40 6684 1443
Email: murali.n.krishna@kotak.com
Contact Person: Mr. Murali N. Krishna
Website: www.kotak.com

Standard Chartered Bank
6-3-1090, T.S.R. Towers, Rajbhavan Road
Hyderabad – 500 082, India
Tel: + 91 40 6663 5830 Fax: + 91 40 2339 7008
Email: jubin.mehta@in.standardchartered.com
Contact Person: Mr. Jubin Mehta
Website: www.standardchartered .com

Statement of Responsibility of the Book Running Lead Managers and the Co-Book Running Lead Manager

The following table sets forth the *inter se* allocation of responsibilities for various activities among DSPML, JM Financial and KMCC:

S. No.	Activity	Responsibility	Coordinator
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	JM Financial, DSPML, KMCC	DSPML
2.	Due diligence of the Company including its operations/management/ business/plans/legal, etc. Drafting and design of the Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs and the CBRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing.	JM Financial, DSPML, KMCC	DSPML
3.	Drafting and approval of all publicity material other than statutory advertisements as mentioned above, including road show presentations, corporate advertising, brochures, etc.	JM Financial, DSPML, KMCC	JM Financial
4.	Appointment of printers, the Registrar to the Issue and the Bankers to the Issue.	JM Financial, DSPML, KMCC	JM Financial
5.	Appointment of advertising agency.	JM Financial, DSPML, KMCC	DSPML

S. No.	Activity	Responsibility	Coordinator
6.	International institutional marketing of the Issue, which will cover, *inter alia*: ● Preparing the road show presentation and frequently asked questions; ● Finalising the list and division of investors for one-to-one meetings; and ● Finalising the road show schedule and the investor meeting schedules.	JM Financial, DSPML, KMCC	JM Financial
7.	Domestic institutional marketing of the Issue, which will cover, *inter alia*: ● Finalising the list and division of investors for one-to-one meetings; and ● Finalising the road show schedule and the investor meeting schedules.	JM Financial, DSPML, KMCC	DSPML
8.	Non-institutional and retail marketing of the Issue, which will cover, *inter alia*: ● Formulating marketing strategies and preparation of publicity budget; ● Finalising media and public relations strategy; ● Finalising centres for holding conferences for press, brokers, etc.; ● Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material; ● Finalising collection centres and arranging for selection of underwriters and execution of an underwriting agreement; and ● Coordination with the Stock Exchanges for book building software, bidding terminals and mock trading.	JM Financial, DSPML, KMCC	JM Financial
9.	Post-Bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, coordination with the Registrar to the Issue and Bankers to the Issue, intimation of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow up steps, including the finalisation of trading, dealing of instruments and dispatch of certificates and demat of delivery of shares with the various agencies connected with these activities such as the Registrar to the Issue, the Bankers to the Issue and the bank handling refund business. The BRLMs and the CBRLM shall be responsible for ensuring that these agencies fulfill their functions and for enabling them to discharge their responsibilities through suitable agreements with the Company.	JM Financial, DSPML, KMCC	JM Financial

Credit Rating

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

IPO Grading

The Company has not opted for the grading of this Issue from any credit rating agency.

Monitoring Agency

No monitoring agency is required to be appointed by the Company for the Issue pursuant to Clause 8.17 under the SEBI Guidelines.

Trustees

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

Book Building Process

Book building refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and Bid-cum-Application Forms. The Issue Price is determined by the Company, in consultation with the BRLMs and the CBRLM, after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

(1) the Company;

(2) the BRLMs in this Issue, comprising DSPML and JM Financial, and the CBRLM in this Issue, comprising KMCC;

(3) the Syndicate Members in this Issue are JM Financial Services Private Limited, Morgan Stanley India Company Private Limited and Kotak Securities Limited; and

(4) the Registrar to the Issue, in this Issue is Karvy Computershare Private Limited.

The Equity Shares are being offered to the public through the 100% Book Building Process in accordance with Rule 19(2)(b) of the SCRR and the SEBI Guidelines, wherein at least 60% of the Issue shall be allotted on a proportionate basis to QIBs, of which 5% shall be reserved for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under the SEBI Guidelines, QIBs are not allowed to withdraw their Bids after 3 p.m. on the Bid/Issue Closing Date. In addition, QIBs are required to pay the QIB Margin Amount, representing at least 10% of the Bid Amount, upon submission of their Bids and allocation to QIBs will be on a proportionate basis. For details, see the section "Issue Structure" beginning on page 288 of this Red Herring Prospectus.

The Company will comply with the guidelines issued by SEBI in connection with the issue of securities by an Indian company to the public in India. In this regard, the Company has appointed DSPML and JM Financial as the BRLMs and KMCC as the CBRLM to manage the Issue and to procure subscriptions to the Issue.

The process of book building under the SEBI Guidelines is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Issue.

Steps to be taken by the Bidders for bidding:

- Check eligibility for making a Bid. See the section "Issue Procedure" of the 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 the instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form; and
- If your Bid is for Rs. 50,000 or more, ensure that the Bid-cum-Application Form is accompanied by the Permanent Account Number or by Form 60 or Form 61, as may be applicable, together with necessary documents providing proof of address. For details, see the section "Issue Procedure" of the Red Herring Prospectus.

Illustration of Book Building and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs. 20 to Rs. 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below, the illustrative book would be as given below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below indicates 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 equity shares Bid for	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the 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 managers, will finalise the issue price at or below such cut off, 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

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

Bid/Issue Program

BID/ISSUE OPENING DATE	**THURSDAY, 27TH SEPTEMBER, 2007**
BID/ISSUE CLOSING DATE	**THURSDAY, 04TH OCTOBER, 2007**

Bids and any revision in Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bid/ Issue Period as mentioned above at the bidding centres mentioned in the Bid-cum-Application Form except that on the Bid/Issue Closing Date, Bids and any revision in Bids will only be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders and (ii) such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

The Company, in consultation with the BRLMs and the CBRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines, provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down up to a maximum of 20% of the Floor Price disclosed in the Red Herring Prospectus.

In case of revision in the Price Band, the Bidding Period shall be extended for three additional working days after such revision, subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs, the CBRLM and the terminals of the other members of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, the Company intends to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and sold in the Issue. Pursuant to the terms of the Underwriting Agreement, the BRLMs and the CBRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

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

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

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. Million)
DSP Merrill Lynch Limited Mafatlal Centre, 10th Floor Nariman Point, Mumbai – 400 021, India Tel: +91 22 2262 1071 Fax: +91 22 2262 1187 Email: maytasinfra_ipo@ml.com	[●]	[●]
JM Financial Consultants Private Limited 141, Maker Chambers III, Nariman Point Mumbai – 400 021, India Tel: +91 22 6630 3030 Fax:+91 22 2204 7185 E-mail: maytasinfra.ipo@jmfinancial.in	[●]	[●]
Kotak Mahindra Capital Company Limited 3rd Floor, Bakhtawar 229, Nariman Point Mumbai – 400 021, India Tel: +91 22 6634 1100 Fax: +91 22 2284 0492 Email: maytasinfra.ipo@kotak.com	[●]	[●]
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Kotak Securities Limited 1st Floor, Bakhtawar 229, Nariman Point, Mumbai – 400 021, India Tel: +91 22 6634 1100 Fax: +91 22 6630 3927 Email: umesh.gupta@kotak.com	[●]	[●]
Total	[●]	[●]

The abovementioned amount is an indicative underwriting and will be finalised after determination of the Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement is dated [●], 2007 and has been approved by the Board of Directors.

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

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

CAPITAL STRUCTURE

The Company's equity share capital before the Issue and after giving effect to the Issue, as at the date of this Red Herring Prospectus, is set forth below:

		Aggregate Nominal Value (Rs.)	Aggregate Value at Issue Price (Rs.)
A)	**AUTHORISED SHARE CAPITAL[(1)]**		
	75,000,000 Equity Shares of Rs. 10 each	750,000,000	
B)	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE**		
	50,000,000 Equity Shares of Rs. 10 each	500,000,000	
C)	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS**		
	8,850,000 Equity Shares of Rs. 10 each	88,500,000	[●]
	Of which:		
	QIB Portion[(3)]		
	At least 5,310,000 Equity Shares		
	Of which:		
	Mutual Fund Portion		
	265,500 Equity Shares		
	Balance for all QIBs including Mutual Funds		
	5,044,500 Equity Shares		
	Non-Institutional Portion[(4)]		
	Not less than 885,000 Equity Shares available for allocation		
	Retail Portion[(4)]		
	Not less than 2,655,000 Equity Shares available for allocation		
D)	**PAID-UP EQUITY CAPITAL AFTER THE ISSUE[(2)]**		
	58,850,000 Equity Shares of Rs. 10 each	588,500,000	[●]
E)	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	Nil	
	After the Issue	[●]	

(1)

a) Pursuant to a resolution of the shareholders of the Company at the AGM on September 27, 1991, the authorised share capital of the Company was increased from Rs. 5,000,000 to Rs. 10,000,000 divided into 100,000 equity shares of Rs. 100 each.

b) Pursuant to a resolution of the shareholders of the Company at the AGM on September 25, 1992, the authorised share capital of the Company was increased from Rs. 10,000,000 to Rs. 15,000,000 divided into 150,000 equity shares of Rs. 100 each.

c) Pursuant to a resolution of the shareholders of the Company at the EGM on March 14, 1994, the authorised share capital of the Company was increased from Rs. 15,000,000 to Rs. 22,500,000 divided into 225,000 equity shares of Rs. 100 each.

d) Pursuant to a resolution of the shareholders of the Company at the EGM on October 20, 1994, the authorised share capital of the Company was increased from Rs. 22,500,000 to Rs. 50,000,000 divided into 500,000 equity shares of Rs. 100 each.

e) Pursuant to a resolution of the shareholders of the Company at the EGM on March 30, 1998, the authorised share capital of the Company was increased from Rs. 50,000,000 to Rs. 80,000,000 divided into 800,000 equity shares of Rs. 100 each.

f) Pursuant to a resolution of the shareholders of the Company at the EGM on January 30, 1999, the authorised share capital of the Company was increased from Rs. 80,000,000 to Rs. 100,000,000 divided into 1,000,000 equity shares of Rs. 100 each.

g) Pursuant to a resolution of the shareholders of the Company at the EGM on December 30, 2006, the equity shares of face value of Rs. 100 each were sub-divided into equity shares of Rs. 10 each and the authorised share capital was increased from Rs. 100,000,000 to Rs. 750,000,000 divided into 75,000,000 equity shares of Rs. 10 each.

(2) On April 14, 2007, the Remuneration Committee adopted an employee stock option scheme (the "ESOP 2007"). Under the ESOP 2007, up to 2% of the paid-up equity share capital of the Company may be issued to permanent employees of the Company, whether working in India or outside India and whole time Directors. The ESOP will be administered by our Remuneration Committee, which shall determine the terms and conditions of the employee stock options granted from time to time. On April 14, 2007, a grant of options to acquire an aggregate of 644,967 Equity Shares has been made to certain employees and Directors of the Company. The Equity Share capital of our Company upon completion of the Issue, assuming full exercise of all the outstanding options issued under the ESOP, will comprise 59,494,967 Equity Shares. For details, please refer to Note 8 of the notes to the Capital Structure.

(3) Allocation to QIBs is proportionate as per the terms of this 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. Further attention of all QIBs is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid-cum-Application Forms after 3 p.m. on the Bid/Issue Closing Date; and (b) each QIB, including a Mutual Fund, is required to deposit a Margin Amount of at least 10% with its Bid-cum-Application Form.

(4) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and the Retail Portion, would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of the Company, in consultation with the BRLMs and the CBRLM.

Notes to the Capital Structure

1. Share Capital History of the Company

The following is the history of the equity share capital of the Company:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (Rs.)	Issue Price per Equity Share (Rs.)	Nature of consideration (cash, bonus, other than cash)	Reasons for allotment	Cumulative Share Premium (Rs.)	Cumulative Share Capital (Rs.)
May 6, 1988	250	100	100	Cash	Subscription on signing of Memorandum of Association	Nil	25,000
March 26, 1991	49,750	100	100	Cash	Further allotment	Nil	5,000,000
March 25, 1992	50,000	100	100	Cash	Further allotment	Nil	10,000,000
January 11, 1993	50,000	100	100	Cash	Further allotment	Nil	15,000,000
March 31, 1994	75,000	100	100	Cash	Further allotment	Nil	22,500,000
October 24, 1994	250,000	100	100	Cash	Further allotment	Nil	47,500,000
September 30, 1998	100,000	100	100	Cash	Allotment to Veeyes Investments Private Limited, Highgrace Investments Private Limited, Elem Investments Private Limited, Fincity Investments Private Limited and SNR Investments Private Limited	Nil	57,500,000
January 31, 1999	425,000	100	100	Cash	Further allotment to Veeyes Investments Private Limited, Highgrace Investments Private Limited, Elem Investments Private Limited, Fincity Investments Private Limited and SNR Investments Private Limited	Nil	100,000,000
December 30, 2006	Equity Shares of face value Rs. 100 each were sub-divided into Equity Shares of face value Rs. 10 each						100,000,000
December 31, 2006	40,000,000	10	N.A.	Bonus	Bonus issue in the ratio of four shares for every one share held	Nil	500,000,000

Other than as specified above, the Company has not issued any shares during the preceding one year from the date of the Red Herring Prospectus.

2. Promoters' Contribution and Lock-in

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Clause 4.6 of the SEBI Guidelines.

(a) *Details of Promoter's contribution locked-in for three years*

Pursuant to the SEBI Guidelines, an aggregate of 20% of the post-Issue shareholding of the Promoters shall be locked-in for a period of three years. The details of such lock-in are given below.

Indicated below is the capital build-up of the Promoters' shareholding in the Company locked-in for a period of three years:

Name of the Promoter	Date on which the Equity Shares were Allotted/ acquired and made fully paid-up	Nature of Allotment	Nature of payment of consideration	Face value (Rs.)	Issue Price (Rs.)	Number of Equity Shares	Percentage of pre-Issue shareholding (%)	Percentage of post-Issue shareholding (%)
B. Teja Raju	May 11, 1998	Acquisition from existing shareholders	Cash	100	100	29,800		
	December 30, 2006	Equity Shares of face value Rs. 100 each were sub-divided into Equity Shares of face value Rs. 10 each		10	N.A.	298,000		
	December 31, 2006	Bonus issue by the Company	Bonus	10	N.A.	1,192,000		
Sub Total						**1,490,000**	**3.0**	**2.5**
SNR Investments Private Limited	September 30, 1998	Allotment by the Company	Cash	100	100	20,000		
	January 31, 1999	Allotment by the Company	Cash	100	100	85,000		
	December 30, 2006	Equity Shares of face value Rs. 100 each were sub-divided into Equity Shares of face value Rs. 10 each		10	N.A.	1,050,000		
	December 31, 2006	Bonus issue by the Company	Bonus	10	N.A.	4,200,000		
Sub Total						**5,250,000**	**10.5**	**8.9**
Veeyes Investments Private Limited	September 30, 1998	Allotment by the Company	Cash	100	100	20,000		
	January 31, 1999	Allotment by the Company	Cash	100	100	85,000		
	December 30, 2006	Equity Shares of face value Rs. 100 each were sub-divided into Equity Shares of face value Rs. 10 each		10	N.A.	1,050,000		
	December 31, 2006	Bonus issue by the Company	Bonus	10	N.A.	4,200,000		
Sub Total						**5,250,000**	**10.5**	**8.9**
Total						**11,990,000**	**24.0**	**20.3**

The Equity Shares being locked-in for a period of three years from the date of Allotment and which have been issued for consideration other than cash have been issued through a bonus issue and are not from a bonus issue out of revaluation reserves or reserves without accrual of cash resources.

The Promoter's contribution has been brought in to the extent of not less than the specified minimum amount and from the persons defined as Promoters under the SEBI Guidelines.

Indicated below is the capital build-up of the shareholding in the Company of the entities that are part of the Promoter Group:

Name of the Promoter Group Entity	Date on which the Equity Shares were Allotted/ acquired and made fully paid-up	Nature of Allotment	Nature of payment of consideration (Rs.)	Face value	Issue Price (Rs.)	Number of Equity Shares	Percentage of pre-Issue shareholding (%)	Percentage of post-Issue shareholding (%)
B. Ramalinga Raju	March 26, 1991	Allotment by the Company	Cash	100	100	3,750		
	January 11, 1993	Allotment by the Company	Cash	100	100	8,500		
	October 24, 1994	Allotment by the Company	Cash	100	100	5,000		
	May 11, 1998	Acquisition from existing Shareholder	Cash	100	100	76,176		
	July 13, 2001	Transmission of Shares from a deceased Shareholder		100	N.A.	3,658		
	December 30, 2006	Equity Shares of face value Rs. 100 each were sub-divided into Equity Shares of face value Rs. 10 each		10	N.A.	970,840		
	December 31, 2006	Bonus issue by the Company	Bonus	10	N.A.	3,883,360		
Sub Total						**4,854,200**	**9.71**	**8.25**
B. Ramalinga Raju - HUF	April 22, 1988	Subscription to Memorandum of Association	Cash	100	100	50		
	March 26, 1991	Allotment by the Company	Cash	100	100	4,700		
	March 25, 1992	Allotment by the Company	Cash	100	100	8,500		
	December 30, 2006	Equity Shares of face value Rs. 100 each were sub-divided into Equity Shares of face value Rs. 10 each		10	N.A.	132,500		
	December 31, 2006	Bonus issue by the Company	Bonus	10	N.A.	530,000		
Sub Total						**662,500**	**1.32**	**1.13**

Name of the Promoter Group Entity	Date on which the Equity Shares were Allotted/ acquired and made fully paid-up	Nature of Allotment	Nature of payment of consideration	Face value (Rs.)	Issue Price (Rs.)	Number of Equity Shares	Percentage of pre-Issue shareholding (%)	Percentage of post-Issue shareholding (%)
B. Nandini Raju	March 26, 1991	Allotment by the Company	Cash	100	100	4,000		
	March 25, 1992	Allotment by the Company	Cash	100	100	4,000		
	January 11, 1993	Allotment by the Company	Cash	100	100	4,000		
	October 24, 1994	Allotment by the Company	Cash	100	100	2,500		
	May 11, 1998	Acquisition from existing Shareholders	Cash	100	100	36,970		
	December 30, 2006	Equity Shares of face value Rs. 100 each were sub-divided into Equity Shares of face value Rs. 10 each		10	N.A.	514,700		
	December 31, 2006	Bonus issue by the Company	Bonus	10	N.A.	2,058,800		
Sub Total						**2,573,500**	**5.15**	**4.37**
B. Rama Raju Jr.	May 11, 1998	Acquisition from existing shareholders	Cash	100	100	29,700		
	December 30, 2006	Equity Shares of face value Rs. 100 each were sub-divided into Equity Shares of face value Rs. 10 each		10	NA	297,000		
	December 31, 2006	Bonus issue by the Company	Bonus	10	N.A.	1,188,000		
Sub Total						**1,485,000**	**2.97**	**2.52**
Total						**9,575,200**	**19.15**	**16.27**

(b) *Details of share capital locked-in for one year*

In addition to the Equity Shares proposed to be locked-in as part of the Promoters' contribution as stated above, the entire pre-Issue equity share capital of the Company will be locked-in for a period of one year from the date of allotment of Equity Shares in this Issue.

(c) *Other requirements in respect of lock-in:*

Pursuant to Clause 4.15 of the SEBI 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, provided that (i) the pledge of shares is one of the terms of sanction of the loan and (ii) if the Equity Shares are locked-in as Promoter's contribution for three years, then in addition to the requirement in (i) above, such Equity Shares may be pledged only if the loan has been granted by the banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

Further, pursuant to Clause 4.16.1(a) of the SEBI Guidelines, 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 Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended (the "Takeover Code"), as applicable.

Pursuant to Clause 4.16.1(b) of the SEBI Guidelines, Equity Shares held by the Promoters may be transferred to and among the Promoters or the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

In addition, Equity Shares held by the Promoters may be transferred as permitted under the SEBI Guidelines.

3. Shareholding Pattern of the Company

The table below presents the Company's shareholding before the Issue and as adjusted for the Issue:

Name of Shareholder	Pre-Issue		Post-Issue	
	Number of Equity Shares	Percentage of equity share capital (%)	Number of Equity Shares	Percentage of equity share capital (%)
Promoters				
B. Teja Raju	1,490,000	2.98	1,490,000	2.53
SNR Investments Private Limited	5,250,000	10.50	5,250,000	8.92
Veeyes Investments Private Limited	5,250,000	10.50	5,250,000	8.92
Total Holding of the Promoters	**11,990,000**	**23.98**	**11,990,000**	**20.37**
Promoter Group (other than Promoters)				
B. Ramalinga Raju	4,854,200	9.71	4,854,200	8.25
B. Ramalinga Raju-HUF	662,500	1.32	662,500	1.13
B. Nandini Raju	2,573,500	5.15	2,573,500	4.37
B. Rama Raju Jr.	1,485,000	2.97	1,485,000	2.52
Total Holding of Promoter Group (other than Promoters)	**9,575,200**	**19.15**	**9,575,200**	**16.27**
Others				
Highgrace Investments Private Limited	5,250,000	10.50	5,250,000	8.92
Elem Investments Private Limited	5,250,000	10.50	5,250,000	8.92
Fincity Investments Private Limited	5,250,000	10.50	5,250,000	8.92
B. Suryanarayana Raju	2,531,000	5.06	2,531,000	4.30
B. Rama Raju, Sr.	5,143,100	10.29	5,143,100	8.74
B. Appala Narasamma	392,500	0.78	392,500	0.67
B. Suryanarayana Raju-HUF	385,000	0.77	385,000	0.65
B. Jhansi Rani	1,382,950	2.77	1,382,950	2.35
B. Rama Raju-HUF	274,500	0.55	274,500	0.47
B. Radha	2,575,750	5.15	2,575,750	4.38
Total Holding of Others (other than Promoters and Promoter Group)	**28,434,800**	**56.87**	**28,434,800**	**48.32**
Public in the Issue	-	-	***8,850,000***	***15.04***
Total	**50,000,000**	**100.00**	**58,850,000**	**100.00**

4. The Company, the Directors, the Promoters, the Promoter Group Companies, their respective directors, the BRLMs and the CBRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.

5. The list of the top 10 shareholders of the Company and the number of Equity Shares held by them is set forth below:

(a) The top 10 shareholders of the Company as of the date of the filing of the Red Herring Prospectus with SEBI are as follows:

S. No.	Name of Shareholder	Number of Equity Shares	Percentage Shareholding (%)
1.	Veeyes Investments Private Limited	5,250,000	10.50
2.	Highgrace Investments Private Limited	5,250,000	10.50
3.	Elem Investments Private Limited	5,250,000	10.50
4.	Fincity Investments Private Limited	5,250,000	10.50
5	SNR Investments Private Limited	5,250,000	10.50
6	B. Rama Raju Sr.	5,143,100	10.29
7.	B. Ramalinga Raju	4,854,200	9.71
8.	B. Radha	2,575,750	5.15
9.	B. Nandini Raju	2,573,500	5.15
10.	B. Suryanarayana Raju	2,531,000	5.06
	Total	**43,927,550**	**87.86**

(b) The top 10 shareholders of the Company as of ten days prior to the filing of the Red Herring Prospectus with SEBI are as follows:

S. No.	Name of Shareholder	Number of Equity Shares	Percentage Shareholding (%)
1.	Veeyes Investments Private Limited	5,250,000	10.50
2.	Highgrace Investments Private Limited	5,250,000	10.50
3.	Elem Investments Private Limited	5,250,000	10.50
4.	Fincity Investments Private Limited	5,250,000	10.50
5.	SNR Investments Private Limited	5,250,000	10.50
6.	B. Rama Raju Sr.	5,143,100	10.29
7.	B. Ramalinga Raju	4,854,200	9.71
8.	B. Radha	2,575,750	5.15
9.	B. Nandini Raju	2,573,500	5.15
10.	B. Suryanarayana Raju	2,531,000	5.06
	Total	**43,927,550**	**87.86**

(c) The top 10 shareholders of the Company as of two years prior to the filing of the Red Herring Prospectus with SEBI are as follows:

S. No.	Name of Shareholder	Number of equity shares of face value Rs. 100	Percentage Shareholding (%)
1.	Veeyes Investments Private Limited	1,05,000	10.50
2.	Highgrace Investments Private Limited	1,05,000	10.50
3.	Elem Investments Private Limited	1,05,000	10.50
4.	Fincity Investments Private Limited	1,05,000	10.50
5.	SNR Investments Private Limited	1,05,000	10.50
6.	B. Rama Raju Sr.	1,02,862	10.29
7.	B. Ramalinga Raju	97,084	9.71
8.	B. Radha	51,515	5.15
9.	B. Nandini Raju	51,470	5.15
10.	B. Suryanarayana Raju	50,620	5.06
	Total	**8,78,551**	**87.86**

6. Except as set forth below, none of the Directors or key managerial personnel holds Equity Shares in the Company:

S.No.	Name of the Shareholder	Number of Equity Shares	Pre-Issue Percentage Shareholding (%)	Post-Issue Percentage Shareholding (%)
1.	B. Teja Raju	1,490,000	2.98	2.53

7. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.

8. On March 30, 2007, the Company's shareholders authorised the Remuneration Committee to adopt an employee stock option plan (the "ESOP") under which bona fide permanent employees of the Company, whether working in India or outside India, will be eligible for stock options. The issue of Equity Shares pursuant to the ESOP will be subject to compliance with all applicable laws and regulations. The aggregate number of Equity Shares to be issued under the ESOP will not exceed 2% of the paid-up equity share capital of the Company and the exercise price will be equal to the Issue Price.

   On April 14, 2007, the Remuneration Committee adopted the Employee Stock Option Scheme 2007 (the "ESOP 2007"). Under the ESOP 2007, up to 2% of the paid-up equity share capital of the Company may be issued to permanent employees of the Company, whether working in India or outside India, Directors, whether whole time or not, but excludes an employee who is a Promoter or belongs to the Promoter Group and a Director, who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company. Under the ESOP 2007, the exercise of the options granted is subject to the listing of the Company's Equity Shares on the Stock Exchanges, pursuant to the Issue. The ESOP 2007 will be administered by our Remuneration Committee, which shall determine the terms and conditions of the employee stock options granted from time to time.

   On April 14, 2007, a grant of options to acquire an aggregate of 644,967 Equity Shares has been made to certain employees and Directors of the Company. The Equity Share capital of our Company upon completion of the Issue, assuming full exercise of all the outstanding options issued under the ESOP, will comprise 59,494,967 Equity Shares. Pursuant to the grant, we have issued the following options:

Particulars of the ESOP 2007

Options granted	644,967
Exercise price	A price equal to the Issue Price
Options vested	Nil
Options exercised	Nil
The total number of Equity Shares arising as a result of exercise of options	644,967
Options lapsed	Nil
Variation of terms of options	Nil
Money realised by exercise of options	Nil
Total number of options in force	644,967
Person-wise details of options granted to: (i) Directors and key managerial personnel (ii) Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during that year	Detailed as below: 1. P.K. Madhav, Executive Director 2. Systla Mohan Gurunath, Head (Strategic Business) 3. Mallik Penmetsa, Head (International Business) 4. Dr. Srinivas Reddy, Head (Corporate Strategy) 5. Srinivas Sagi, Chief Information Officer 6. Sudheer Mareddy, Head (Building and Structures) 7. B. Narasimha Rao, Vice President, Contracts and Claims 8. V.V. Rama Raju, Vice President, Finance
(iii) Identified employees who were granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
Diluted Earnings Per Share (EPS), for the fiscal year ended March 31, 2007, pursuant to issue of shares on exercise of options calculated in accordance with AS 20	5.74
Vesting schedule	The options will vest in the ratio of 20%, 20%, 30% and 30% at the end of one, two, three and four years, respectively, from the date of grant.
Lock-in	Not applicable.
As the options are issued at a premium to the current fair market value of the Equity Shares as determined by an independent valuer, the fair value of the option is negative. So, there will be no impact on the profits and the EPS of the company, had the company used the fair value method.	
A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	The fair value of the options granted have been calculated using the Black Scholes Method of Option valuation
(i) Risk free rate	7.80% to 8.09%
(ii) Expected life	Between 2.5 to 5.5 years
(iii) Expected volatility	Since the company was unlisted at the time of grant, volatility has been taken as zero
(iv) Expected dividends	Nil
(v) The price of the underlying share in market at the time of option grant	Rs. 49.06 (based on a certificate by an independent valuer)
The impact on the profits and on the EPS of the last three years	N.A.

No Equity Shares will vest within three months from the date of listing of the Equity Shares of the Company. Therefore, there is no intention of the Directors, key managerial personnel and employees to sell any Equity Shares within this period.

Directors and Key Managerial Personnel to Whom Options have Been Granted

S. No.	Name	Number of Options
Directors		
1.	P.K. Madhav	45,000
Key Managerial Personnel[1]		
1.	Systla Mohan Gurunath	45,000
2.	Mallik Penmetsa	45,000
3.	Dr. Srinivas Reddy	45,000
4.	Srinivas Sagi	35,000
5.	Sudheer Mareddy	35,000
6.	V.V. Rama Raju	35,000
7.	B. Narasimha Rao	35,000
8.	I.K. Pantulu	12,956
9.	Parthasarathy Chakrapani	10,000
10.	C. S. Raju	11,086
11.	Y.V.K. Prasad	10,000
12.	Kumar Subramanian	10,000
13.	H. Krishnan	7,645
14.	P. Ajit Singh	4,587
15.	T. Nagarjuna	3,822

1 M. Dinakara Shetty and R.P. Sami were key managerial personnel, who have subsequently resigned. They have been granted 15,289 and 2,141 options, respectively.

9. The Company has not issued Equity Shares out of revaluation reserves or for consideration other than cash.

10. There have been no transfers of Equity Shares by the Directors, the Promoters and the Promoter Group entities within the last six months preceding the date on which this Red Herring Prospectus is filed with SEBI.

11. The Company has issued Equity Shares to the persons described below on December 31, 2006, in the year preceding this Issue, which may be at a price lower than the Issue price:

Name of the Shareholder	Whether Belongs to Promoter Group	Number of Equity Shares	Issue Price (Rs.)	Reasons for Issue
B. Teja Raju	Yes	1,192,000	N.A.	Bonus issue
SNR Investments Private Limited	Yes	4,200,000	N.A.	Bonus issue
Veeyes Investments Private Limited	Yes	4,200,000	N.A.	Bonus issue
B. Ramalinga Raju	Yes	3,883,360	N.A.	Bonus issue
B. Ramalinga Raju-HUF	Yes	530,000	N.A.	Bonus issue
B. Nandini Raju	Yes	2,058,800	N.A.	Bonus issue
B. Rama Raju Jr.	Yes	1,188,000	N.A.	Bonus issue
Highgrace Investments Private Limited	No	4,200,000	N.A.	Bonus issue
Elem Investments Private Limited	No	4,200,000	N.A.	Bonus issue
Fincity Investments Private Limited	No	4,200,000	N.A.	Bonus issue
B. Suryanarayana Raju	No	2,024,800	N.A.	Bonus issue

Name of the Shareholder	Whether Belongs to Promoter Group	Number of Equity Shares	Issue Price (Rs.)	Reasons for Issue
B. Rama Raju, Sr.	No	4,114,480	N.A.	Bonus issue
B. Appala Narasamma	No	314,000	N.A.	Bonus issue
B. Suryanarayana Raju-HUF	No	308,000	N.A.	Bonus issue
B. Jhansi Rani	No	1,106,360	N.A.	Bonus issue
B. Rama Raju-HUF	No	219,600	N.A.	Bonus issue
B. Radha	No	2,060,600	N.A.	Bonus issue

12. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, or rights issue or in any other manner during the period commencing from the date of filing of this Red Herring Prospectus with SEBI until the Equity Shares offered through the Red Herring Prospectus have been listed.

13. During the period beginning from the date of the memorandum of understanding with the BRLMs and the CBRLM, which is April 23, 2007, and continuing to and including the date 180 days after the date of the Prospectus, the Company has agreed with the BRLMs and the CBRLM not to, directly or indirectly, issue, offer, sell, contract to issue or offer or sell, pledge or otherwise encumber, grant any option to purchase, make any short sale or otherwise dispose of, (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition including entering into any swap or other agreement that transfers, in whole or in part, the economic ownership of the Equity Shares or any securities convertible into Equity Shares (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company), or publicly announce any intention to enter into any such transaction as described above, except as provided hereunder, any Equity Shares of the Company including but not limited to any options or warrants to purchase any Equity Shares of the Company, or any securities convertible into or exchangeable for, or that represent the right to receive Equity Shares, other than the issue of Equity Shares under an employee stock option plan or employee share purchase scheme of the Company.

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

15. The Company has not made any public issue since its incorporation.

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

17. As of the date of filing this Red Herring Prospectus, the total number of holders of Equity Shares was 17.

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

19. An oversubscription to the extent of 10% of the Issue can be retained for purposes of rounding off while finalising the basis of allotment.

20. The Promoters and members of Promoter Group will not participate in this Issue.

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

OBJECTS OF THE ISSUE

The net proceeds of the Issue, after deduction of underwriting and management fees, selling commissions and other Issue expenses, are estimated to be approximately Rs. [●] million (the "Net Proceeds").

The intended objectives of the Issue are:

A. Investment in Associate companies:

   (i) Bangalore Elevated Tollway for the construction of the elevated highway project of the Bangalore-Hosur section of NH-7;

   (ii) KVK Nilachal Power for developing, constructing and commissioning a 300 MW coal-based power plant in Orissa; and

   (iii) SV Power for setting up a 56 MW coal washery reject based power plant and a 2.5 million metric tonne per annum coal washery at Korba District, Chhattisgarh;

B. Purchase of construction equipment;

C. Other project related investments and commitments;

D. General corporate purposes; and

E. Issue expenses.

The total fund requirement for the above-stated objectives as estimated by the Company is proposed to be funded through the Net Proceeds.

The main objects clause and the objects incidental or ancillary to the main objects clause of the Memorandum of Association enable the Company to undertake its existing activities and the activities for which funds are being raised by the Company in this Issue.

Means of Finance

	(Rs. in millions)
Net Proceeds from the issue	[●]
Other Means of Finance (Internal Accruals / Debt / Loans)	Nil
Gross funds for Objects of the Issue	**[●]**

Objects of the Issue

The following table summarises the intended use of proceeds:

(Rs. in millions)

S. No.	Particulars	Estimated amount of Company's contribution to be raised from the Issue
A.	Investment in Associate companies:	
	(i) Bangalore Elevated Tollway for the construction of the elevated highway project of the Bangalore-Hosur section of NH-7;	277.1
	(ii) KVK Nilachal Power for developing, constructing and commissioning a 300 MW coal-based power plant in Orissa; and	1,274.4
	(iii) SV Power for setting up a 56 MW coal washery reject based power plant and a 2.5 million metric tonne per annum coal washery at Korba District, Chhattisgarh	342.5
B.	Purchase of construction equipment	332.9
C.	Other project related investments and commitments	[●]
D.	General corporate purposes	[●]
E.	Issue expenses	[●]
	Total	[●]

The fund requirements and the intended use of the Net Proceeds as described herein are based on management estimates and our current business plan. The fund requirements and intended use of Net Proceeds have not been appraised by any bank or financial institution. In view of the competitive and dynamic nature of the construction industry, we may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our management. In addition, the estimated dates of completion of various projects as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control.

A. Investment in Associate Companies

We are a construction and infrastructure development company with interests in power generation, urban infrastructure and construction and property development sectors. In our infrastructure development business, we have completed one road project and currently have six projects in the roads and power sectors either under construction or under development. Five additional infrastructure development projects are in the award stage. These projects are undertaken by Project SPVs, including our Associates.

We intend to use a portion of the Net Proceeds to fund the capital requirements for the following Associates, which are at various stages of development:

(i) Bangalore Elevated Tollway

The Company intends to invest Rs. 277.1 million of the Net Proceeds in its Associate, Bangalore Elevated Tollway, as part of its equity contribution pursuant to the terms of the shareholders' agreement dated October 11, 2006 among the Company, Soma Enterprises Limited ("SEL"), NCC and Bangalore Elevated Tollway. Bangalore Elevated Tollway is a special purpose vehicle incorporated for the construction of the elevated highway project of the Bangalore-Hosur section of NH-7 on a BOT basis.

Under the terms of the shareholders' agreement, each of NCC and SEL hold a 33.5% participation interest and the Company holds a 33.0% participation interest in Bangalore Elevated Tollway. Pursuant to the terms of the concession agreement dated January 25, 2006 between Bangalore Elevated Tollway and NHAI, the project has been awarded for a 20-year concession period from July 25, 2006 until July 25, 2026, including a construction period of 24 months. At the end of the concession period, the road project shall revert to the NHAI. For details, see the sections "History and Certain Corporate Matters" and "Business" beginning on pages 116 and 59, respectively, of this Red Herring Prospectus.

The total project cost, as estimated by the management of Bangalore Elevated Tollway, is approximately Rs. 7,757.2 million. This amount of Rs. 7,757.2 million includes an initial grant of Rs. 160.0 million that has already been paid to the NHAI under the terms of the concession agreement. The debt to equity ratio for the project is 3.41:1. The funding for the project is proposed to be met as follows:

(Rs. in millions)

S. No.	Particulars	Estimated Total
1.	Equity	1,757.2
2.	Term Loan	6,000.0
	Total	**7,757.2**

Debt

The project achieved financial closure on October 18, 2006. A consortium of banks comprising Canara Bank, Union Bank of India, State Bank of Bikaner and Jaipur, Allahabad Bank, State Bank of Maharashtra, State Bank of Travancore, IDBI Bank, State Bank of Hyderabad, State Bank of Mysore and United Bank of India has granted an aggregate loan of Rs. 6,000.0 million to Bangalore Elevated Tollway on October 18, 2006.

Equity

The remaining equity contribution of Rs. 1,597.2 million is required to be contributed by NCC, SEL and the Company over a period of approximately 24 months from the date of financial closure. The Company is required to make a total equity contribution of approximately Rs. 579.9 million for its 33.0% participation interest in Bangalore Elevated Tollway.

As of August 20, 2007, the Company had invested Rs. 302.8 million from internal accruals for its share of participation interest in Bangalore Elevated Tollway. This amount includes the Company's share of Rs. 52.8 million paid to NHAI as an initial grant. The Company's remaining equity contribution is Rs.277.1 million, which is expected to be met from the Net Proceeds of the Issue.

Cost of Project

On the basis of the appraisal conducted by the management of Bangalore Elevated Tollway, the estimated cost of this project is set forth below:

(Rs. in millions)

S. No.	Particulars	Estimated Cost
1.	Civil construction cost	6,589.2
2.	Pre-operative expenses	329.5
3.	Cost overheads	125.0
4.	Grant to the NHAI	160.0
5.	Interest during construction	553.5
	Total	**7,757.2**

The actual cost of this project may vary from the estimated cost.

Schedule of Implementation

The schedule of implementation for this project is estimated by the management of Bangalore Elevated Tollway as follows:

Activity	Expected date of Completion
Civil construction	January, 2008
Trial run	January, 2008
Date of commercial operation	Third quarter of 2008

Funds Deployed

As of August 20, 2007, the Company had invested Rs. 302.8 million in connection with this project, as certified by Krishna & Prasad, Chartered Accountants, pursuant to their certificate dated August 28, 2007. This investment has been funded through the internal accruals of the Company and will not be recovered from the Net Proceeds. For details regarding the investments already made, see the section "— Funds Deployed" beginning on page 38 of this Red Herring Prospectus.

(ii) <u>KVK Nilachal Power</u>

The Company proposes to invest Rs. 1274.4 million of the Net Proceeds in its Associate, KVK Nilachal Power, as part of its equity contribution pursuant to the terms of the shareholders' agreement dated November 16, 2006 among the Company, KVK Energy & Infrastructure Limited ("KEIL") and KVK Nilachal Power. KVK Nilachal Power is a special purpose vehicle incorporated for developing, constructing and commissioning a 300 MW coal-based power plant in Orissa on a BOT basis. The project comprises construction of one generating unit with an installed capacity of 300 MW in Phase I, a transmission line from the switchyard of the project to the nearest sub-station/interconnection point of the Power Grid Corporation of India Limited, and all facilities and related assets required for the operation of the power station.

Under the terms of the shareholders' agreement, each of KEIL and Maytas Infra hold a 50.0% participation interest in KVK Nilachal Power and have undertaken to retain their respective shareholding until the completion of the project or as stipulated in the bid and/or loan documents.

KVK Nilachal Power entered into a power purchase agreement dated September 1, 2006 with PTC India Limited for the sale of up to 150 MW of available capacity and a power purchase agreement dated September 28, 2006 with the Grid Corporation of Orissa for the sale of up to 75 MW of available capacity. KVK Nilachal Power has received a letter of assurance from the Ministry of Coal, GoI, for a long term coal linkage. For details, see the sections "History and Certain Corporate Matters" and "Business" beginning on pages 116 and 59, respectively, of this Red Herring Prospectus.

If we are not able to achieve financial closure of the project, the Company will lose its right under the agreement to subscribe for up to 50.00% of KVK Nilachal Power's share capital. The Company expects that KVK Nilachal Power will achieve financial closure by the end of the fourth quarter of calendar year 2007 and the project is expected to be commissioned by first quarter of calendar year 2010.

The total project cost, as estimated by the management of KVK Nilachal Power, is approximately Rs. 13,500.0 million, which is expected to be financed by a combination of debt and equity. The management of KVK Nilachal Power expects the debt to equity ratio to be in the ratio of 80:20. The funding for the project is proposed to be met as follows:

(Rs. in millions)

S. No.	Particulars	Estimated Total
1.	Equity	2,700.0
2.	Debt	10,800.0
	Total	**13,500.0**

The Company is required to make an aggregate equity contribution of approximately Rs. 1,350.0 million of which it has already invested an amount of Rs. 75.6 million. According to management estimates, the remaining equity contribution of Rs. 1,274.4 million has to be contributed over a period of approximately 33 months from the date of financial closure.

Cost of Project

On the basis of the appraisal conducted by the management of KVK Nilachal Power, the estimated cost of this project is set forth below:

(Rs. in millions)

S. No.	Particulars	Estimated Cost
A.	**Hard Costs**	
	Preliminary and civil works	250
	Engineering / know-how / consultancy	150
	Civil work	2,070
	Infrastructure works	637
	Mechanical equipment	7,030
	Electrical equipment	1,100
	Tools and plants	30
	Mitigation of environment impact	50
	OH and Administration	95
	Total	**11,412**
B.	**Soft Costs**	
	Margin money for working capital	260
	Interest during construction	1,607
	Finance charges	97
	Total	**1,964**
C.	**Contingency**	**124**
	Total Project Cost (A+B+C)	**13,500**

The actual cost of this project may vary from the estimated cost.

Schedule of Implementation

The schedule of implementation for this project is estimated by the management of KVK Nilachal Power to be as follows:

Activity	Expected date of Completion
Civil construction	November, 2009
Trial run	December, 2009
Commercial production	March, 2010

In the event, the project does not achieve financial closure then our capital contribution would be lower than the estimated Rs. 1,274.4 million and consequently the Company will utilise such balance amount towards other investment opportunities or general corporate purposes.

Funds Deployed

As of August 20, 2007, the Company had invested Rs. 75.6 million in connection with this project, as certified by Krishna & Prasad, Chartered Accountants, pursuant to their certificate dated August 28, 2007. This investment has been funded through the internal accruals of the Company and will not be recovered from the Net Proceeds. For details regarding the investments already made, see the section "—Funds Deployed" beginning on page 38 of this Red Herring Prospectus.

(iii) SV Power

The Company intends to invest approximately Rs. 342.5 million of the Net Proceeds in its Associate, SV Power, as part of its equity contribution pursuant to the terms of the memorandum of understanding dated December 29, 2005 among the Company, K. Vijay Kumar ("KV Kumar") and SV Power. SV Power is a special purpose vehicle incorporated for the setting up of a 2 x 50 MW coal washery reject based power plant in Chhattisgarh, India. In the first phase, the project involves the construction, erection, installation and commissioning of a 56 MW coal washery reject based power station based in the Korba District, Chhattisgarh, on a BOO basis.

As of March 31, 2007, the Company had a 6.3% participation interest in SV Power; however, under the terms of the memorandum of understanding, each of KV Kumar and the Company are required to own 50.0% in the equity capital of the company. In the event any equity is offered to a strategic investor, KV Kumar and the Company shall hold equal shares in the remaining equity, provided however, only a maximum of 50.0% of the equity of SV Power may be offered to a strategic investor. The parties reserve the right to invest in SV Power either directly or through their partners and also share their rights and obligations under the memorandum of understanding with such partners or associates.

KV Kumar is responsible for the development of the project, in consultation with the Company. A budget is required to be prepared by a project management committee consisting of one representative each of KV Kumar and the Company. The project's development expenditure is to be shared equally between KV Kumar and the Company.

If we are not able to achieve financial closure of the project, the Company will lose its right under the agreement to subscribe for up to 50.0% of SV Power's share capital. The Company expects that SV Power will achieve financial closure by the fourth quarter of calendar 2007 and is subject to, among other things, finalising engineering, procurement and construction arrangements and obtaining remaining permits, clearances and approvals. For details, see the sections "History and Certain Corporate Matters" and "Business" beginning on pages 116 and 59, respectively, of this Red Herring Prospectus.

The total project cost, as estimated by the management of SV Power, is approximately Rs. 2,770.0 million, which is expected to be financed by a combination of debt and equity. The management of SV Power expects the debt to equity ratio to be in the ratio of 75:25. The funding for the project is proposed to be met as follows:

(Rs. in millions)

S. No.	Particulars	Estimated Total
1.	Equity	690.0
2.	Term Loan	2,080.0
	Total	**2,770.0**

Pursuant to the terms of the memorandum of understanding, the Company is required to make an aggregate equity contribution of approximately Rs. 345.0 million for its 50.0% participation interest in SV Power, of which the Company has already invested an amount of Rs. 2.5 million. According to management estimates, the balance equity contribution of Rs. 342.5 million has to be contributed over a period of approximately 18 months from the date of financial closure.

Cost of Project

On the basis of the appraisal conducted by the management of SV Power, the estimated cost of this project is set forth below:

(Rs. in millions)

S. No.	Particulars	Estimated Cost
1.	Land, site levelling, compound wall, fencing	120.0
2.	Civil works	280.0
3.	EPC and Non EPC contract	1,966.0
4.	Preliminary and pre-operative expenses	106.0
5.	Misc. Expenses	30.0
6.	Physical contingencies	61.0
7.	Margin money for working capital	30.0
8.	Interest during construction period	177.0
	Total	**2,770.0**

The actual cost of this project may vary from the estimated cost.

Schedule of Implementation

The schedule of implementation for this project is estimated by the management of SV Power to be as follows:

Activity	Expected date of Completion
Civil construction	June, 2010
Trial run	July, 2010
Commercial production	Third quarter of 2009

In the event we do not achieve financial closure, then our capital contribution would be lower than the estimated Rs. 342.5 million and consequently the Company will utilise such balance amount towards other investment opportunities or general corporate purposes.

Funds Deployed

As of August 20, 2007, the Company had invested Rs. 2.5 million in connection with this project, as certified by Krishna & Prasad, Chartered Accountants, pursuant to their certificate dated August 28, 2007. This investment has been funded through the internal accruals of the Company and will not be recovered from the Net Proceeds. For details regarding the investments already made, see the section "— Funds Deployed" beginning on page 38 of this Red Herring Prospectus.

B. Purchase of construction equipment

Our construction business involves executing civil construction contracts. Our services include civil design and engineering, procurement of construction materials, fuel and equipment, and construction of the project. Historically, most of our construction contracts have been in the irrigation, roads, and buildings infrastructure sectors.

The Company proposes to invest Rs. 332.9 million of the Net Proceeds in the purchase of construction equipment that may be used for its projects. The estimated cost of the plant and machinery is detailed in the following table:

(Rs. in millions)

Plant/Machinery	Quantity	Estimated Cost
2 stage crushing plant-track - 200 TPH	2	139.4
Hot mix plant - 160 TPH	5	107.0
Concrete slip form paver	1	86.5
Total	**8**	**332.9**

The above estimates are based on quotations received by the Company in the past and on the internal estimates of the management.

The Company had entered into the following contracts for the procurement of plant and machinery:

Description	Quantity	Date	Name of Party	Value of Contract (Rs. million)	Status of Contract
2 stage crushing plant-track - 200 TPH	1	December 8, 2006	Metso Minerals (Singapore) Pte. Ltd.	69.7	Purchase order issued by the Company
Hot mix plant - 160 TPH	1	December 14, 2006	Speco Limited	21.4	Purchase order issued by the Company
Hot mix plant - 160 TPH	1	January 18, 2007	Speco Limited	21.4	Purchase order issued by the Company
Hot mix plant – 160 TPH	2	March 12, 2007	Speco Limited	42.8	Purchase order issued by the Company
Hot mix plant – 160 TPH	1	March 16, 2006	Speco Limited	21.4	Purchase order issued by the Company
Total				**176.7**	

Orders remain to be placed for plant and machinery in an amount of approximately Rs. 156.2 million, representing 46.9% of the total cost of plant and machinery for this project. No second-hand equipment and instruments are proposed to be purchased from the Net Proceeds.

Funds Deployed

As of August 20, 2007, the Company had not incurred any expenditure in connection with the purchase of the foregoing construction equipment.

C. Other project related investments and commitments

We intend to continue to grow and strengthen our operations in the infrastructure sectors such as roads, ports and power sectors. An amount of Rs. [●] million of the Net Proceeds is expected to be utilised for other project related investments and commitments. We are focused on exploring opportunities in additional sectors such as airports, railways, oil and gas, urban infrastructure, water, ports, pipelines, power transmission, water supply, special economic zones, hydropower projects and waste water management across various locations in India and abroad. We may either establish our presence in these sectors or consolidate our position in the existing areas of operations by exploring organic and inorganic growth opportunities including acquisitions and strategic initiatives.

Accordingly, we intend to use a part of the Net Proceeds for our other projects for which we have received or may receive a letter of intent such as in the case of the five projects that are under award. As these projects are in the award stage, formal business plans for the cost of such projects have not been finalised. We may revise our business plans or project costs from time to time and consequently our capital requirements may also change, which may lead to changes in capital structure. We intend to use a part of the Net Proceeds towards fulfilling our investment obligations for such changes and also for any other investment obligations towards our existing projects.

We continue to evaluate various opportunities and may bid for new projects. We cannot assure you that any or all of our bids will be successful. Our management, in accordance with the policies of the Board, will have flexibility in utilising any surplus amount of the Net Proceeds.

D. General Corporate Purposes

The amount of Rs. [●] million of the Net Proceeds, which represents our anticipated excess of the amount we believe we require for our proposed objects and the Issue expenses, will be utilised towards general corporate purposes.

Our management, in accordance with the policies of the Board, will have flexibility in utilising any surplus amounts from the Net Proceeds.

E. Issue Related Expenses

The Issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses and registrar and depository fees. The estimated Issue expenses are as follows:

(Rs. in millions)

Activity	**Expense**
Lead management, underwriting and selling commissions	[●][1]
Advertising and marketing expenses	[●][1]
Printing and stationery	[●][1]
Other (Registrar's fees, legal fees, etc.)	[●][1]
Total estimated Issue expenses	[●]

[1] Will be completed after finalisation of the Issue Price.

Schedule of Implementation and Utilisation of proceeds

(Rs. in millions)

S.No.	Object	Amount invested as of March 30, 2007	Amount invested between April - August, 2007	Schedule of Deployment of funds from the Net Proceeds as of March 31, 2008	2009	2010	Total	Estimated amount to be raised from the Issue	Estimated time of completion
A.	Investment in Associate companies:								
	(i) Bangalore Elevated Tollway for the construction of the Elevated Highway Project of the Bangalore-Hosur section of NH-7	270.2	32.6	277.1	-	-	579.9	277.1	By third quarter of 2008
	(ii) KVK Nilachal Power for developing, constructing and commissioning a 300 MW coal-based power plant in Orissa	45.6	30.0	472.1	325.4	476.9	1,350.0	1,274.4	By March 2010
	(iii) SV Power for setting up a 56 MW coal washery reject based power plant and a 2.5 million metric tonne per annum coal washery at Korba District, Chhattisgarh	2.5	-	180.0	162.5	-	345.0	342.5	By third quarter of 2009

S.No.	Object	Amount invested as of March 30, 2007	Amount invested between April - August, 2007	Schedule of Deployment of funds from the Net Proceeds as of March 31,				Estimated amount to be raised from the Issue	Estimated time of completion
				2008	2009	2010	Total		
B.	Purchase of construction equipment	-	-	332.9	-	-	332.9	332.9	By March 31, 2008
C.	Other project related investments and commitments	-	-	-	-	-	-	-	-
D.	General corporate purposes	-	-	-	-	-	-	-	-
E.	Issue expenses	-	-	-	-	-	-	-	-
	Total	**318.3**	**62.6**	**1,262.1**	**487.9**	**476.9**	**2,607.8**	**2,226.9**	

In case of a shortfall in the Net Proceeds, the Company may explore a range of options including utilising its internal accruals, seeking additional debt or equity from lenders or shareholders. The Company believes that such alternate arrangements would be available to fund any such shortfall.

Funds Deployed

The details of the amounts spent by the Company as of August 20, 2007, on projects mentioned as part of the Objects of the Issue, as certified by Krishna & Prasad, Chartered Accountants, pursuant to their certificate dated August 28, 2007, are provided in the table below:

(Rs. in millions)

Activity	Amount	Means of funding
Investment in Associate companies:		
(i) Bangalore Elevated Tollway for the construction of the elevated highway project of the Bangalore-Hosur section of NH-7;	302.8	Internal accruals
(ii) KVK Nilachal Power for developing, constructing and commissioning a 300 MW coal-based power plant in Orissa; and	75.6	Internal accruals
(iii) SV Power for setting up a 56 MW coal washery reject based power plant and a 2.5 million metric tonne per annum coal washery at Korba District, Chhattisgarh.	2.5	Internal accruals
Total	**380.9**	

Appraisal Report

None of the projects for which Net Proceeds will be utilised have been financially appraised and the estimates of the costs of projects mentioned above are based on internal estimates of the Company.

Interim Use of Proceeds

The Company's management, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, the Company intends to temporarily invest the funds in interest bearing liquid instruments including deposits with banks or temporarily deploy the funds in working capital loan accounts.

Bridge Financing Facilities

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

Monitoring of Utilisation of Funds

The Board will monitor the utilisation of the Net Proceeds. The Company will disclose the utilisation of the Net Proceeds under a separate head in its balance sheet for such fiscal periods as required under the SEBI Guidelines, the listing agreements with the Stock Exchanges and any other applicable law or regulation, specifying the purposes for which the Net Proceeds have been utilised. The Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, thereby also indicating investments, if any, of such currently unutilised Net Proceeds.

BASIS FOR THE ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the BRLMs and the CBRLM on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is 32 times the face value at the lower end of the Price Band and 37 times the face value at the higher end of the Price Band. The information presented below relating to the Company is based on the restated standalone financial statements of the Company for fiscal 2005, 2006 and 2007 and restated consolidated financial statements of the Company for fiscal 2007. Investors should also refer to the sections "Risk Factors" and "Financial Statements" beginning on pages xiii and F-1, respectively, of this Red Herring Prospectus to get a more informed view before making the investment decision.

Qualitative factors

- Diversified portfolio across various infrastructure sectors and geographic locations.
- Ability to meet pre-qualification credentials and partnership with leading companies.
- Extensive experience and strong track record.
- Professionally managed company.
- Experienced management and a qualified employee base.
- Integrated execution capabilities with in-house construction and management capabilities.

Quantitative Factors

1. Basic earnings per equity share ("EPS") of face value of Rs. 10

Year	Basic EPS (Rs. per share) (standalone)	Weight
Fiscal 2005	11.59	1
Fiscal 2006	5.24	2
Fiscal 2007	11.00	3
Weighted Average	**9.18**	

EPS = Net profit after tax, as restated, attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year.

2. Price/Earnings Ratio ("P/E") in relation to the Issue Price of Rs. [●]

a) Basic EPS as per the restated standalone financial statements of the Company for the year ended March 31, 2007 is Rs. 11.00 and the basic EPS as per the restated consolidated financial statements of the Company for the year ended March 31, 2007 is Rs. 10.58.

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on weighted average EPS of Rs. 9.18 (standalone)	34.86	40.31
Based on fiscal 2007 restated EPS of Rs. 11.00 (standalone)	29.09	33.64
Based on fiscal 2007 restated EPS of Rs. 10.58 (consolidated)	30.25	34.97

b) Peer Group P/E

Industry P/E	
a) Highest	99.5 times
b) Lowest	26.1 times
c) Industry Average	58.6 times

Source: Capital Markets Vol. XXII/11 dated July 30 - Aug 12, 2007.

3. Return on Net Worth ("RoNW") as per restated standalone financial statements:

Year	RoNW (%)	Weight
Fiscal 2005	30.3	1
Fiscal 2006	12.1	2
Fiscal 2007	20.7	3
Weighted Average	**19.4**	

RoNW = Net profit after tax, as restated, divided by net worth as restated at the end of year.

As of March 31, 2007, the RoNW of the Company on a restated standalone basis was 20.7% and on a restated consolidated basis was 20.0%.

4. Minimum Return on Increased Net Worth Required to Maintain Pre-Issue EPS:

The minimum return on increased net worth required to maintain pre-Issue EPS on standalone basis is [●]%.

5. Net Asset Value ("NAV")

	NAV (Rs. per share)
As at March 31, 2007 (standalone)	53.05
As at March 31, 2007 (consolidated)	52.99
After the Issue	[●]

NAV = Net profit after tax, as restated, divided by the number of Equity Shares outstanding during the year.

6. Peer Group Comparisons (Industry Peers)

Fiscal 2007	EPS (Rs. per share)	NAV (Rs. per share)	P/E	RoNW (%)
Maytas Infra Limited (standalone)	11.0	53.05	[●]	20.7
Peer Group				
Gammon India Limited	5.1	102.7	97.9	13.9
Hindustan Construction Company Limited	1.3	35.3	99.5	4.1
IVRCL Infrastructures & Projects Limited	10.9	101.4	38.2	25.5
Patel Engineering Limited	18.1	120.6	26.1	44.7
Simplex Infrastructures Limited	12.5	64.4	31.4	24.5

Source: Capital Markets Vol. XXII/0211 dated July 30 - Aug 12, 2007. Data based on full year results as reported in the edition.

Since the issue is being made through the 100% book built issues, the final price would be determined on the basis of the demand from the investors.

STATEMENT OF TAX BENEFITS

For information relating to the statement of possible tax benefits available to Maytas Infra Limited and its shareholders, please refer to Annexure XIII to the Financial Statements beginning on page F-25 of the Red Herring Prospectus.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in the section below has been derived, in part, from various public and private publications or obtained from communications with government agencies in India. This information has not been prepared or independently verified by us, the Book Running Lead Managers and the Co-Book Running Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India.

The Indian Economy and Overview of the Indian Infrastructure Industry

India is the fourth largest economy in the world in GDP terms on the basis of purchasing power parity. Over the last decade, India has been one of the fastest growing economies in the world. The following chart presents growth rate of India's real GDP during the last four years:-

Year	GDP Growth Rate
2003-04	8.5%
2004-05	7.5%
2005-06	9.0%
2006-07	9.2%

Source: Union Budget 2005-06 and 2006-07, http://indiabudget.nic.in.

The Indian infrastructure industry is experiencing growth in expenditure. This growth is visible throughout the country in the form of new highways, roads, ports, railways, and airports; power systems; new townships, offices, houses and other buildings; urban/rural infrastructure, including water supply, sewerage, and drainage; irrigation and agriculture systems.

According to the Pre-Budget Memo 2006-07 prepared by the Construction Federation of India, construction is the second largest employer after the agriculture sector. Currently, the construction industry in India, directly or indirectly, employs approximately 32.0 million workers, accounts for 40.0% of gross investment, and 60.0% of infrastructure costs. According to the same memo, the construction industry in India currently accounts for 5.0% of India's gross domestic product.

According to CRIS INFAC, a brand of Credit Rating Information Services of India Limited ("CRISIL"), a ratings, research, risk and policy company, investment in construction is expected to grow to approximately Rs. 6,129 billion in 2007 – 2011 from Rs. 3,213 billion in 2002 – 2007, at a compound annual growth rate of 13.8%.

The construction segment constitutes a significant part of infrastructure development in the economy. The following table shows the construction investments figures in the various areas of infrastructure development:

(Rs. in billion)

	FY02-FY06	FY07-FY11
Roads	1,167	2,306
Urban Infrastructure	536	1,150
Power	578	861
Irrigation	514	744
Railways	225	639
Others	193	429
Total	**3,213**	**6,129**

Source: CRIS INFAC (Annual Review, May 2007)

This sector is expected to get major support from policy makers with the objective of creating employment in large numbers.

Demand for construction has resulted in the following macro trends:

a) The increasing spend in the infrastructure sector has resulted in an increased order book for construction companies thereby easing the supply – demand competitive pressure.

b) Margins of construction companies were adversely impacted by increase in prices of inputs in the past especially steel, aggregate and now cement. Whilst commodity prices continue to exhibit volatility, price escalation clauses are being used to allow for some protection. Whilst partly mitigated, this remains an area of concern.

c) Construction companies are moving towards public-private partnership, raising funds from the market to finance these projects.

Whilst some participants, especially the smaller ones, have adopted a fragmented approach to the market, bidding aggressively, the more established players who have financial strength, experience and access to technology and an appetite to undertake large contracts are adopting a selective approach in their order mix and client selection, leading up to risk management on margins.

To accelerate and increase public private partnerships in infrastructure, two major initiatives have been taken by the GoI (i) provision of viability gap funding and (ii) establishment of India Infrastructure Finance Company Limited. These initiatives are designed to implement public projects to make them financially feasible and involve either a one-time grant or a deferred grant of funds to aid in the respective project.

Overview of the Indian Irrigation Segment

Based on the nature of civil construction and usage, Irrigation projects include:

- Dam projects
- Water reservoirs
- Small hydropower projects (10-20 MW capacity)
- Lift and gravity technology to create water distribution networks

Irrigation projects are primarily funded by state government allocation. A few states such as Andhra Pradesh, Gujarat, Maharashtra, Karnataka and Uttar Pradesh have experienced substantial investment in the irrigation segment over last three years. According to CRIS INFAC, over the next five years, irrigation projects valued at approximately Rs. 400 billion are planned by the state of Andhra Pradesh alone.

Central Assistance is largely routed through the Accelerated Irrigation Benefit Program (AIBP), under which funds are allocated to help the states in funding uncompleted irrigation projects.

Total investments expected in the irrigation segment are Rs. 1,240 billion for 2007 – 2011 as compared to Rs. 844 billion during 2002 – 2006. Investments in the irrigation segment are likely to lead to a construction demand of Rs. 744 billion over 2007 – 2011.

Networking & balancing of rivers could further boost investments in irrigation segment.

According to CRIS INFAC, the key operating costs of irrigation projects are material costs, which account for over 40.0% of the total project cost. Iron and steel, and cement, the two major raw materials, typically account for approximately 25.0% of the total raw material costs in the project. According to industry sources, steel costs in lift irrigation projects vary from 25.0% to 50.0%, depending on the extent to which pipelines are used. Other materials such as sand and aggregates, bricks and tiles, petrol oil and lubricants are also used.

Overview of Indian Water Resources (Water Supply and Sanitation)

Clean drinking water is an essential element of development and is also a vital input for agriculture and industry. The 10th Five Year Plan identified several issues that need to be addressed in the water segment, including irrigation, flood control and command areas development, as well as the requirement for rural and urban sanitation.

Under the 10th Five-Year Plan, India has 16.0% of the world's population and has only 2.4% of the world's land resources and 4.0% of the world's fresh water resources. Most of its fresh water needs are met through rainfall, 76.0% of which occurs between June and September each year on account of the monsoon.

Indian Urban Water Infrastructure

Water supply projects are mainly for industrial and residential entities and are therefore city specific. The 10th Five-Year Plan period focuses on building additional infrastructure amenities to increase the access to water supply facilities and sewage and sanitation facilities for the urban population.

Rural Water Infrastructure

The GoI has initiated the Bharat Nirman program, a four-year program (2005 to 2009) to develop India's rural infrastructure. Under the Bharat Nirman program, the goal is to create infrastructure to irrigate approximately 10 million hectares of land, comprising 6 million hectares from major and medium projects, 3 million hectares for ground water development and 1 million hectares for minor irrigation projects. These targets are planned to be met largely through timely completion of identified ongoing major and medium irrigation projects.

Seawater Desalination

With ground water sources depleting in India, an alternative is seawater. India has a coastline of over 7,500 Km, with some of the largest metropolitan centres, developing towns and major ports with large populations situated along the coast. Drawing seawater and converting it into potable water using desalination is considered to be an economically viable option to provide water to these large urban populations. The GoI and the respective state governments have announced various desalination projects including the 100 MLD Capacity Sea Water Reverse Osmosis Desalination Plant to augment water supply to the city of Chennai.

Overview of the Indian Transportation Segment

India's transport system comprises roads, railways, waterways (shipping, ports and inland waterways), civil aviation and pipelines. Roads, however, remain the most important and primary means of transport.

Roads

According to CRISIL, investment in the roads segment is expected to grow by a compound annual growth rate of 15.0% over 2007 -2011. Investments in Roads segment are likely to be Rs. 2,306 billion over 2007– 2011 as against Rs. 1,167 during 2002 – 2007.

According to the National Highway Authority of India ("NHAI") India has an existing road network of approximately 3.3 million Km. This is the second largest road network in the world.

India continues to need significant investment in the road segment as the population and economy continues to grow. The Indian road network consists of:

Indian Road Network	(Approx.) Length (in Km)	Percentage of Total
Expressways	200	
National highways (NH)	66,590	2.0%
State highways (SH)	131,899	4.0%
Major district roads	467,763	14.0%
Village and other roads	2,650,000	80.0%
Total	**3,316,452**	**100.0%**

Source: National Highways Authority of India, http://www.nhai.org/roadnetwork.htm.

According to the NHAI, roads form the most common type of transportation and accounted for approximately 80.0% of passenger traffic and 65.0% of freight traffic in 2005-06. National Highways, which account for 66,590 kilometres of the road network (approximately 2.0% of the total road network), accounts for nearly 40.0% of the total road traffic in India.

The status of National Highways as on July 31, 2007 is as follows:

Indian Road Network	Percentage Completed
Single Lane/Intermediate Lane	32.0%
Double Lane	56.0%
Four or more Lanes	12.0%
Total	**100.0%**

Source: National Highways Authority of India, http://www.nhai.org/roadnetwork.htm.

Significant growth in freight and passenger traffic

Between 1950-51 and 2005-06, freight traffic on Indian roads increased by 154 times, from 6 billion tonne kilometre (btkm) to 921.5 btkm. In addition to the increase in freight traffic, passenger traffic increased by 178 times, from 23 billion person-kilometre (bpkm) to 4,089 bpkm. The number of registered vehicles (including two-wheelers) in India has increased at a compound annual growth rate of approximately 11.0%, from 1.4 million in 1950-51 to 54.5 million in 2005-06.

Growth in freight and passenger traffic was not matched by a corresponding growth in the road network

From 1950-51 to 2005-06, the road network increased by about 8.3 times, from 0.4 million Kms to 3.3 million Kms. However, the national highway network (which accounts for nearly 40.0% of the total freight traffic) increased by only 3.3 times, from 19,811 Kms to 65,569 Kms. According to CRISIL, it is estimated that 80-90% of the roads (NH and SH) are not suitable for permissible axle loads of 10.2 tonnes or greater and this situation is made worse by the fact that most vehicles are overloaded.

An example of the regained focus on growth and the various plan initiatives

The focus of the road modernisation programme in India is on the Golden Quadrilateral project. The flagship programme to develop and upgrade Indian national highways is the National Highways Development Programme ("NHDP"). Besides NHDP, the road segment in India is expected to see a greater level of development activity through road programmes such as PMGSY ("Pradhan Mantri Grameen Sadak Yojana") and the Special Accelerated Road Development Programme, as well as road projects at the state level.

The NHDP currently involves a total of seven phases entailing the development and upgrading of approximately 52,960 Km of roads. To date, Cabinet approval has only been received for Phase I, Phase II and Phase IIIA, involving the development and upgrading of approximately 18,287 Km of roads. The remaining phases have received in-principle approval from the GoI. Of the remaining phases, Phase IIIB and V are expected to be launched in the next few years. However, two projects have already been awarded under Phase V after they were approved by the Cabinet.

The scale of the NHDP project is illustrated by the multi-phase approach set forth below:

- *Phase I of NHDP (Golden Quadrilateral Project)* involves four-laning of approximately 5,846 Km of national highways between Delhi, Mumbai, Chennai and Kolkata. Phase I is expected to be completed by 2007-2008.
- *Phase II* (*North-South and East-West corridors*) involves upgrading of the existing two-lane highways and four-laning of approximately 7,274 Km of national highways connecting four extreme points of the country. Phase II is expected to be completed by 2009-2010.
- *Phase III* involves the development of roads, connecting state capitals and places of economic and tourist importance to Phase I and Phase II. Phase III involves two development sections- Phase IIIA and Phase IIIB. While approval has been received for the widening and strengthening of 4,015 Km in Phase IIIA, only in-principle approval has been granted for the development of 6,000 Km in Phase IIIB.

- *Phase IV* involves two-laning of a single lane network of approximately 20,000 Kms. Phase IV has received only an in-principle approval and has been planned on a BOT-annuity basis.
- *Phase V* involves six-laning of 6,500 Km of high-density four-laned roads. Phase V has only received in-principle approval.
- *Phase VI* involves the construction of expressways covering approximately 1,000 Km of national highways. Phase VI has received only an in-principle approval.
- *Phase VII* involves the development of ring roads, by-passes, over-bridges, flyovers, etc. Phase VII is still in a conceptual stage.

Source: CRIS INFAC (Annual Review, May 2007), Roads and Highways Annual Review, September 2006.

The following table summarises the NHDP projects:

Project	Length (Km)	Cost[(1)] (Rs. billion)	Funding pattern	Scheduled completion[(2)]	Substantial completion[(3)]	Length completed/ under implementation	
						(Km)	%
Phase I							
Golden Quadrilateral[(4)]	5,846	303	Multilateral agencies, cess, market borrowings, SPVs, BOT (toll and annuity)	December 2003	2006	5,846	100.0%
Port Connectivity	380	-		December 2004	2007	374	94.4%
Other road projects	962	-		December 2004	2008	942	97.9%
Phase II							
North-South & East-West Corridor[(5)]	7,300	474	Multilateral agencies, cess, market borrowings, BOT (toll-based)	December 2007	2010	6,321	86.6%
Phase IIIA	4,000	262	Cess & private participation	December 2009	2011	1,956	48.9%
Phase V	6,500	412	Cess & private participation	December 2009	2014	148	2.3%
Total (for NH)	**24,988**	**1,451**				**14,251**	**57.1%**
PMGSY	N.A.	600	Multilateral agencies, cess and market borrowings	Fiscal 2010	-		24.0%

Notes:

(1) At 2001 rates and excluding interest during construction.

(2) Investments planned only to financial year 2010 have been considered.

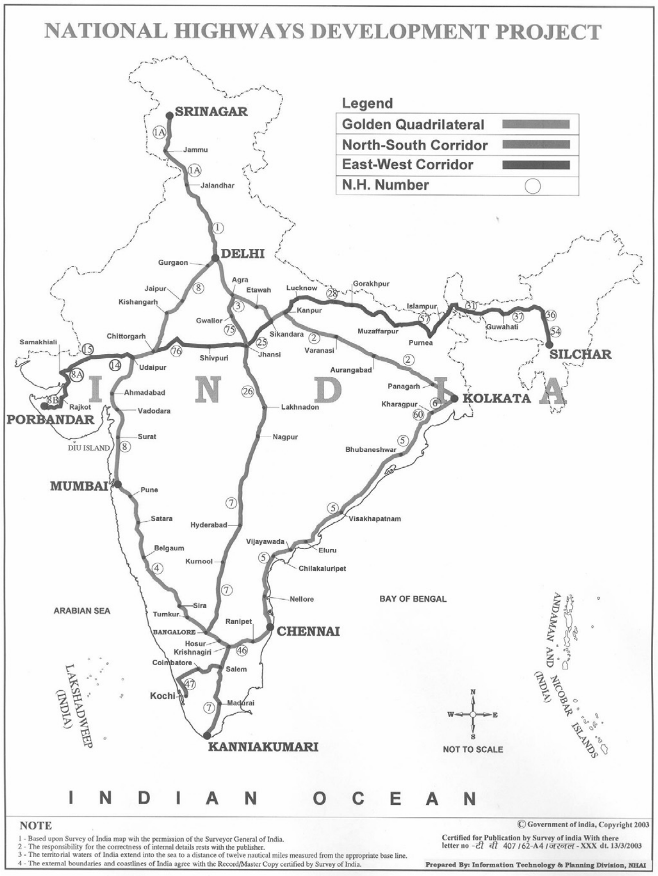
(3) CRIS INFAC (Annual Review, May 2007).

(4) Substantial completion is expected by 2006, however completion of 3.0% of the Golden Quadrilateral will occur in 2007 and 2008.

(5) Current actual length is 7,274 Km (excluding 442 Km of common length with the Golden Quadrilateral). The original approved length of the NSEW corridor is 7,300 Km.

Source: CRIS INFAC (Annual Review, May 2007), CRISIL, Roads and Highways Annual Review, September 2006.

A map of the NHAI development projects is shown below:



Source: National Highways Development Project, http://www.nhai.org/nhdpmain_english.htm.

Funding for Road Projects

The following are the key sources of funds to finance the NHDP:

- Cess on petrol and diesel;
- Loan assistance from international funding agencies;
- Market borrowings (primarily NHAI bonds); and
- Private investments (BOT/SPV-Annuity/toll-based).

Cess

The GoI levied a tax on both petrol and diesel to meet the challenges of accelerated funding requirements for all categories of roads in India. A cess at the rate of Re. 1 per litre was imposed on petrol with effect from June 1998 and on diesel from March 1999. The cess on petrol and diesel was increased by Rs. 0.50 in fiscal 2003 and by another Rs. 0.50 pursuant to the Union Budget 2005-06. Funds collected were to be deposited in a Central Road Fund for exclusive use and development of a modern road network. This fund was given statutory status by the Central Road Fund Act, enacted in December 2000.

Cess funds from the Central Road Fund and are to be utilised towards:

- Construction and maintenance of state highways;
- Development of rural roads by state governments;
- Construction of rail and road over- bridges;
- Construction and maintenance of National Highways under the NHDP; and
- Construction of the inter-state and economically important roads.

Today, this cess contributes between Rs. 50 billion to Rs. 60 billion per annum towards the NHDP.

Loan assistance from international funding agencies

Loan assistance is available from multilateral development agencies such as the Asian Development Bank and the World Bank or other overseas lending agencies like the Japan Bank for International Cooperation.

Market borrowings

Market borrowings refer to funds generated through the issue of NHAI bonds and through loans from financial institutions.

Private participation for NHDP

The NHAI has offered projects on BOT basis to contractors to promote private investments in roads and highways. Under BOT contracts, the concessionaire is responsible for constructing and maintaining the project. It generates revenues by collecting toll collections during the concession period (which vary between 20 to 30 years). After the expiry of the concession period, the project is transferred back to the NHAI. BOT projects may be classified as follows:

Toll-based: The developer recovers its costs and earns revenues by collecting tolls on the route. Under this approach, the developer takes on the risk of traffic volume and toll rates, and returns are linked to toll collection. In case of shortfall in funding of the project, the NHAI provides a positive grant (which is currently capped at 40.0% of project cost as estimated by the NHAI). However, the developer may pay a certain amount, as it may deem appropriate, over and above the project cost to the NHAI which is known as a negative grant The bidding variable for such projects is the grant amount (either positive or negative).

Annuity: The contractor receives periodic payments on a yearly or six-monthly basis from the Government, generally for a period of up to 15 years. The contractor has to maintain the road for this period, and then transfer it free of cost to the Government. In this system, the Government or the NHAI collects tolls and the contractor’s returns are independent of traffic volumes or toll rates. The bidding variable for such projects is the amount of annuity quoted.

Grant: This variant is a hybrid of the toll-based and annuity systems. Under this approach, the Government pays a capital grant to make up for the difference between the BOT operator’s return expectation and toll revenue. The grant is capped at 25.0% to 40.0% of the required funds, and may be either a one-time payment, or spread over up to 10 years, depending on the project. The bidding variable for such projects is the amount of the capital grant.

Overview of the Indian Real Estate Construction Segment

The real estate construction segment includes residential construction and commercial construction. Commercial construction is further divided into office space construction, hotels, hospitals and retail construction.

Over the next five years, real estate investment in India is expected to be twice as much as that made in the previous 5 years. Investments in real estate will be driven primarily by housing, which is expected to account for nearly 90% of the total real estate sector as defined by CRISIL Research. Investments in commercial construction are expected to grow faster than investments in housing, mainly due to a spurt in office space construction, driven by information technology/ IT-enabled services.

Housing demand is expected to be driven by the following factors:

- Population growth
- Urbanisation
- Rise in the number of nuclear families
- Dual income model of nuclear families
- Growing affordability due to higher incomes
- Availability of housing loans

The break-up of real estate investments is as follows:

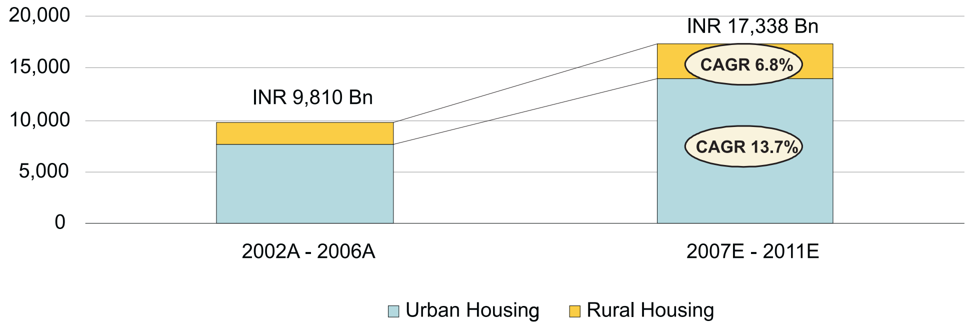
(Rs. in billion)

	FY02-FY06	FY07-FY11
Housing	9,810	17,338
Commercial Real Estate	408	1,179
Total	**10,218**	**18,517**

Source: CRIS INFAC (Annual Review, May 2007).

Housing investments to be driven by Urban Housing

(Rs. billion)



Source: CRIS INFAC (Annual Review, May 2007).

Commercial Real Estate to Driven by Office Space, in Turn Driven by IT/ITES

Investment in commercial construction is expected to increase threefold over 2007 -2011 to Rs. 1,179 billion from Rs. 408 billion in 2002 – 2006.

Investments in the commercial segment are likely to be driven by office space projects, which are expected to go up from Rs. 737 billion over 2007 – 2011 as against Rs. 174 billion in 2002 – 2006. Within office space construction, 70–75% of the demand comes from IT/BPO/call centres. Other key demand drivers include banking and financial services, fast-moving consumer goods (FMCG) and telecom. This dependency on IT/ITES is expected to continue due to India's emergence as a preferred outsourcing destination, despite the emergence of China and Russia as strong contenders. Hospitals are expected to generate total construction demand worth Rs. 267 billion over the next 5 years.

Source: CRIS INFAC (Annual Review, May 2007).

Organised Retail Construction

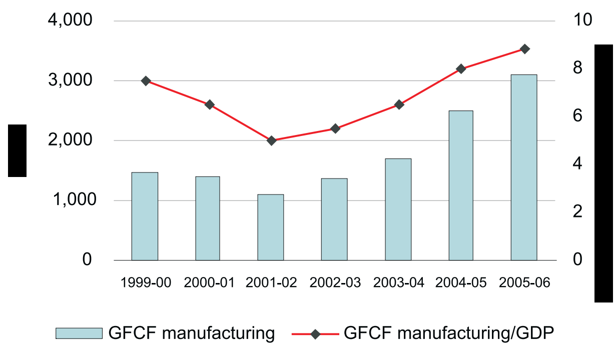
The growth in disposable incomes, demographic changes (such as a growing number of working women who spend more, the growing number of nuclear families, higher income levels within the urban population), change in perception of branded products, growth in retail malls, entry of international players, and availability of cheap finance will drive growth in the organised retail space.

Over 2007 – 2011, the expected investment in organised retail construction is Rs. 176 billion.

Overview of Industrial Structures Segment

Investments in key industrial sectors are expected soar up to Rs. 6,924 billion over the 2007 – 2011 as compared with Rs. 2,274 billion in 2002 – 2006. Over the next 5 years, growth in investments will be driven by strong capacity additions, led by strong growth in demand and high existing operating rates across some of the key industries.

In the following graph, GFCF manufacturing is used as a proxy to industrial investments to reflect the prevalent surge in industrial investments.

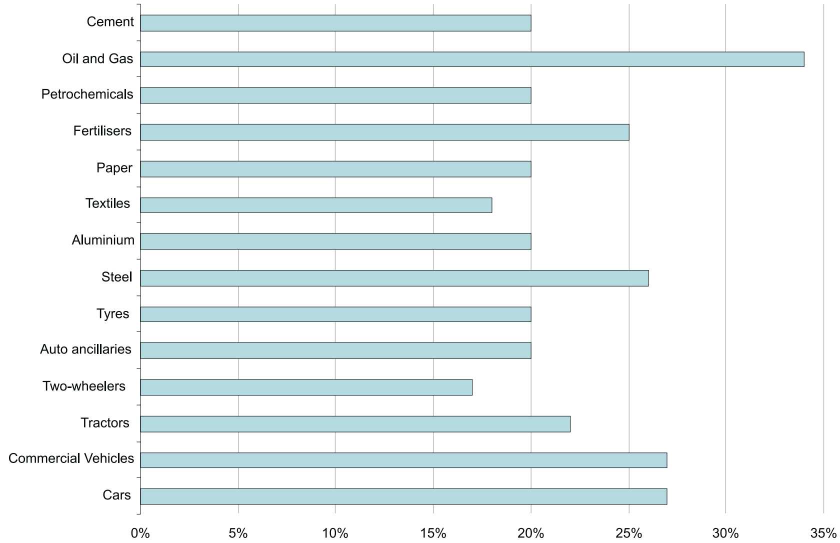


Source: CRIS INFAC (Annual Review, May 2007).

Industrial investments to bolster construction demand by Rs. 1,817 billion over 2007 – 2011

Although industrial investments in key sectors are expected to soar up to Rs. 6,924 billion, construction of demand of Rs. 1,817 billion (26% of total investments) is expected to motivate the order book positions of construction companies. The construction component in industrial segments is usually low, and a majority of investments are being driven by plants and machinery. The following graph reflects the construction component in total investments across various industries.

Engineering and Construction Intensity in Industrial Sector (%)



Source: CRIS INFAC (Annual Review, May 2007).

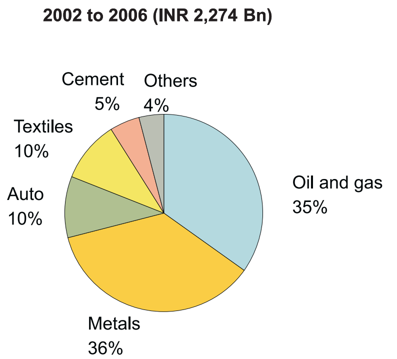
Investments in metals to grow at 72% over next few years

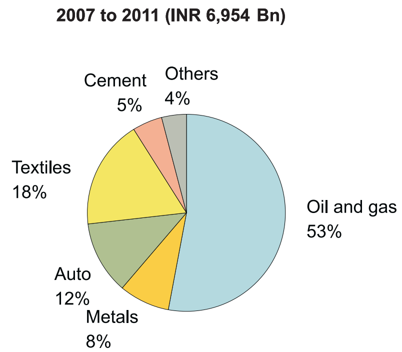
Industrial investments are likely to be driven mainly by metals and oil and gas investments. Together, these sectors are expected to contribute around 72% of total investments anticipated in key industrial sectors. The graphs shown subsequently reflect the change in composition of industrial investments over 2007 – 2011.

The steel industry has been on a recovery trail for the past few years. The upsurge in global steel demand has led to a spurt in investment announcements in the domestic steel industry. Approximately Rs. 2,560 billion will be invested over 2007 – 2011 (15 times the domestic investments made in steel industry in 2002 -2006). As can be seen from the previous graph, steel and aluminium (metals sector) together are expected to record the highest level of investments over 2007 – 2011, superseding the oil and gas segment, which was the highest contributor to total industrial investments in 2002 -2006.

Oil and gas exploration and development (E&D) will witness substantial investment mainly due to the New Exploration and Licensing Policy (NELP) announced to enlarge the reserves and improve the domestic supply of crude oil and natural gas.

Break of Investments in Industrial Sector





Source: CRIS INFAC (Annual Review, May 2007).

Overview of the Indian Power Segment

The [Indian] Electricity (Supply) Act, 1948 (the "Supply Act") created the institutional framework under which the industry was developed. The Supply Act led to the creation of the State Electricity Boards ("SEBs"), which are state government agencies having the sole responsibility for generation, transmission and distribution of electricity within each state. Under the Accelerated Power Development and Reform Programme, 13 states have unbundled/corporatised their SEBs. In addition, Delhi and Orissa have privatised their SEBs.

As of June 30, 2007, the total installed capacity in the country is 134,717 MWs:

	Installed Capacity (MWs)	Installed Capacity (%)
State	70,457	52.3%
Central	45,841	34.0%
Private	18,419	13.7%
Total	**134,717**	**100.0%**

Source: Ministry of Power, http://powermin.nic.in.

	Installed Capacity (MWs)	Installed Capacity (%)
Thermal	86,936	64.5%
Hydro	33,486	24.6%
Nuclear	4,120	3.1%
Other	10,175	7.8%
Total	**134,717**	**100.0%**

Source: Ministry of Power, http://powermin.nic.in.

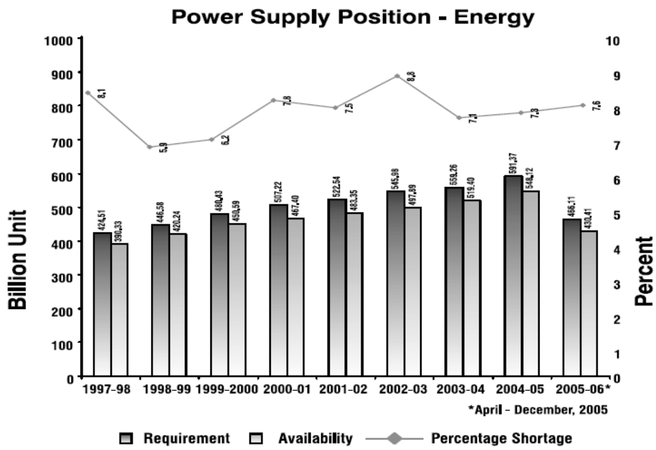
The state sector owns or controls approximately 52.3% of India's total installed capacity (approximately 70,457 MW) and has substantial control of most of the distribution assets. Due to systemic deficiencies and reforms that have primarily focused on generation rather than transmission and distribution, the Electricity Act was passed in May 2003. The Electricity Act is a comprehensive legislation replacing the Indian Electricity Act, 1910, the Supply Act and the Electricity Regulatory Commission Act, 1998. The aim of this legislation is to promote growth in the sector and coordinate regulation of the sector by the GoI and state governments.

The Electricity Act provides the required incentives to captive power generators by exempting them from licence requirements. This resulted in an increase in the captive capacity additions by industrial units, thereby reducing the dependence on external providers. Open access has been allowed in transmission lines, both to distribution licencees as well as generating companies. Distribution licencees will be free to take up generation and generation companies will be free to take up distribution. Trading has been permitted as a distinct activity. The Electricity Act also provides for multiple distribution licencees in a single area.

Recent Trends in the Indian Power Sector

According to estimates from the Ministry of Power, the GoI's demand for electricity continues to increase, with an estimated increase of 1.5% in demand for every 1.0% increase in the GDP. However, regular power shortages are common throughout India. According to the Ministry of Power, in order to support a rate of growth of GDP of around 7.0% per annum, the rate of growth of power supply needs to be over 10.0% annually.

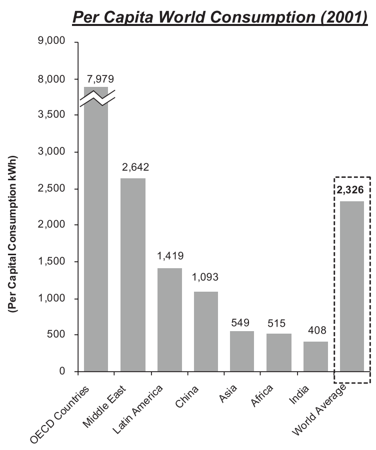
The following chart shows the gap between electricity requirement and electricity availability.



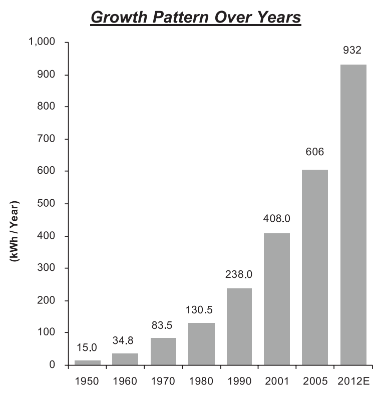
Source: Ministry of Power Annual Report 2005-2006, http://powermin.nic.in.

The industrial, domestic and agriculture sectors are the main consumers of electrical energy consuming 83.5% of total electrical energy.

The per-capita consumption in India has grown significantly from approximately 15 kWh/year in 1950 to 408 kWh/year in 2001, and to 606 kWh/year in 2005. In comparison with other leading developed and emerging economies, power consumption in India still lags behind these economies by a large margin. The Ministry of Power has projected a per-capita consumption of 932 kWh/year by 2012. The following chart compares per capita electricity consumption in India, other countries and the world average consumption.



Source: Key World Energy Statistics (2003); as quoted on Ministry of Power website, December 2005



Source : Ministry of Power

Power Sector Development

According to the blueprint prepared by the Ministry of Power, the demand projections for power made in the 16th Electric Power Survey, over 100,000 MW additional generation capacity must be added by 2012 to bridge the gap between demand and supply of power.

The Ministry of Power, in association with the Central Electricity Authority and the Power and Finance Corporation, has identified five ultra mega power projects each having a capacity of 4,000 MW and scope for future expansion. These projects are listed below:

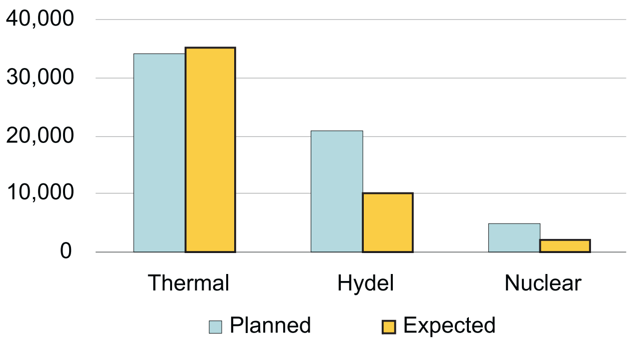
- Sasan Power Project (Madhya Pradesh);
- Akaltara Power Project (Chhattisgarh);
- Mundra Power Project (Gujarat);
- Coastal Karnataka Power Project (Karnataka); and
- Coastal Maharashtra Power Plant (Maharashtra).

Of the above, two projects have already been awarded.

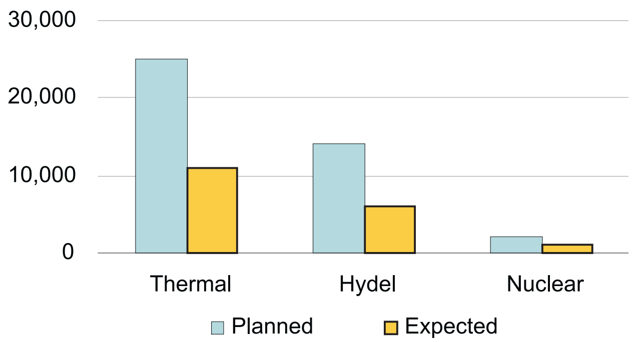
Expected investments in Power Segment

The following chart shows a comparison of planned capacity additions and expected capacity additions (MWs).

11th Plan



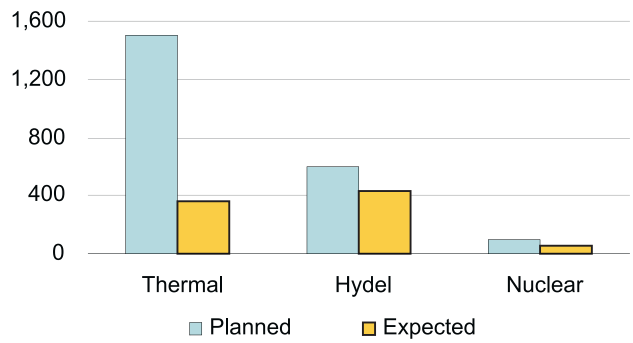
10th Plan



Source: CRIS INFAC (Annual Review, May 2007).

The total investment expected in the power sector is Rs. 3,150 billion in 2007 – 2011 as against Rs. 1,873 billion invested in 2002 – 2006. A major portion (71%) of the investment is expected towards generation and the remaining towards transmission and distribution (T&D). Investments in power will generate construction investments worth Rs. 861 billion in 2007 – 2011.

The following chart shows the investments expected in the power sector from 2007 – 2011 (Rs. in billion)



Source: CRIS INFAC (Annual Review, May 2007).

Overview of the Indian Ports Segment

India has 12 major ports and 184 minor ports and intermediate ports along its 7,517 Km long coastline. Of the 12 major ports, 11 are run by Port Trusts while the port at Ennore is a corporation under the GoI. According to the Department of Shipping, all major, minor and intermediate ports handle 95.0% by volume and 70.0% by value of India's international trade. While the major ports handle about 75.0% of sea-borne traffic, the rest is handled by non-major ports.

According to the Ministry of Shipping, Road Transport & Highways, the total cargo handled in fiscal year 2006 was 573 million tonnes compared to 518 million tonnes in fiscal 2005, a growth of 10.6%. Out of this, 473 million tonnes were handled by major ports and 150 million tonnes by non-major ports.

Regulatory Framework of the Indian Ports Segment

In India, ports are classified as either major ports, intermediate ports or minor ports. The 12 major ports are governed by the GoI through the Ministry of Surface Transport. Each port is governed by a port trust, (responsible for administration, control and management of port operations) which reports to the Ministry of Surface Transport.

The tariffs of individual ports are regulated by the Ministry of Surface Transport and the Tariff Authority for Major Ports. The intermediate and minor ports fall outside the jurisdiction of the GoI, but are subject to certain provisions of the Indian Ports Act, 1908. The development and management of intermediate and minor ports is the responsibility of state governments. State governments are free to initiate policy matters (such as privatisation and pricing of services) in respect of intermediate and minor ports in their respective states. States administer their ports either through state maritime boards, as in Gujarat, Maharashtra and Tamil Nadu, or through government departments. Maritime boards have structures and powers similar to those of the Board of Trustees of a major port.

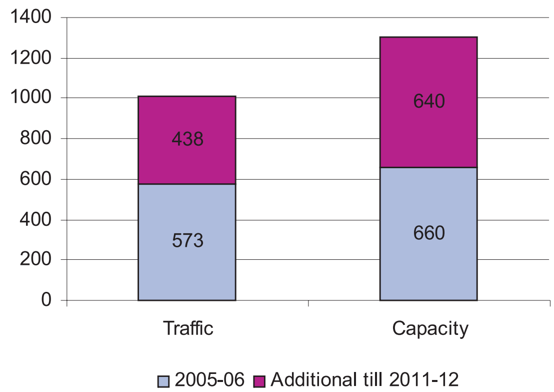
Development in the Indian Ports Segment

The 11th Five-Year Plan will develop ports and related infrastructure to bring them in line with international standards in turn-around time and clearing of both import and export cargo. According to the National Maritime Development Programme (NMDP), the GoI has a target of US$150 billion for exports by the year 2008-09 to double India's share in world exports from nearly 0.8% to 1.5%.

To facilitate private sector investment in ports, 100% FDI is allowed under the automatic route for construction and maintenance of ports. The government has also allowed 100% income tax exemption for 10 years to encourage private investment in ports.

The Ministry of Shipping, Road Transport and Highways estimates that traffic at ports in India is expected to increase to 1,011 million tonnes per year by fiscal 2012 and 1,225 million tonnes per year by fiscal 2014 from the current 573 million tonnes per year in fiscal 2006. The additional capacity requirement to be built by fiscal 2012 is approximately 640 million tonnes.

The following table illustrates the current and projected traffic and capacity figures by tonnage for fiscal 2006 and fiscal 2012, respectively.



Source: The Committee on Infrastructure, http://infrastructure.gov.in/ppt2_ports.pdf.

The expected increase in traffic at ports will require substantial capacity augmentation at both major and minor ports. A deep-sea port will need to be developed and drafts of existing ports will need to be deepened, where feasible, through capital dredging, which is an excavation operation carried out partly underwater, in shallow seas or fresh water areas with the purpose of gathering up bottom sediments and disposing of them at a different locations for the purpose of creating a new harbour, berth or waterway, or to deepen existing facilities in order to allow larger ships access. Current trends also include enhancing port connectivity through efficient integration of the road and railway connections on a fast track basis. The bulk of capacity augmentation will be undertaken through public-private partnership and captive users. This requires the framework for private sector participation to be laid down in a clear and comprehensive manner.

Investments in the ports segment are likely to be Rs. 407 billion over 2007 – 2011 as against Rs. 149 billion during 2002 – 2007.

Also, under the NMDP, a total investment of Rs. 558 billion is expected in major ports over the next 20 years. Of this, 62% (i.e. Rs. 345 billion) is expected through private participation. The major areas planned for private sector participation include construction of cargo handling berths, container terminals and warehousing facilities, installation of cargo-handling equipment, construction of dry-docks and ship repair facilities.

Major Investments Planned in Ports Segment

Investment	**Estimated Investment (US$ million)**
Third Container Terminal at Jawaharlal Nehru Port developed on BOT basis by MAERSK A/S & CONCOR Consortium	200
International Container Transhipment Terminal at Cochin Port to be developed on BOT basis by M/s Dubai Ports World	471
First Port based Special Economic Zone (SEZ) at Cochin	–
Development of Container Terminal at Kandla Port on BOT basis is underway	60
Terminals for handling iron ore, coal & chemicals to be developed on BOT basis at Ennore Port	222
Second Container Terminal at Chennai is in the pipeline	109
Deepening of main harbour and entrance channel at Jawaharlal Nehru Port for handling up to 6000 TEUs capacity container vessels taken up	178
Deepening of Approach Channel at Paradip Port to handle 1,25,000 DWT vessels taken up	34
Offshore Container Terminal at Mumbai Port	273
Second Container Terminal at Tuticorin Port	33
Cruise-cum-Container Terminal at Mormugoa	41
Fourth Container Terminal at Jawaharlal Nehru Port	976
Marine Chemical Terminal at Jawaharlal Nehru Port	936
Four multipurpose cargo berths at Kandla Port	98
Bulk cargo berth at Mormugoa Port	31
Container Terminal at Ennore Port (Phase I)	222

Source: Department of Shipping

Overview of Indian Civil Aviation/Airport Segment

India now has the fourth largest economy in the world. However, for an economy of its size, use of air travel in India is comparatively low. According to the Department of Transportation and the Directorate General of Civil Aviation, the Mumbai and Delhi airports are ranked only 80th and 109th, respectively in the world, in terms of size, instead of being considered among the world's largest. Considering the population of these cities, their respective air traffic figures can be expected to be higher. According to the Annual Report of the Ministry of Civil Aviation for 2006-2007, approximately Rs. 141 billion will be invested in the development and modernisation of the Mumbai and Delhi airports over the next 20 years.

With increasing evidence of air transport liberalisation in India, there is greater interest on the part of airlines and airport operators and also a widespread consensus that the potential for growth in the Indian air transport market, both domestically and internationally, is significant.

One of the major reasons, which helps explain the sluggish growth in various Indian markets, is poor infrastructure. This includes unreliable power sources, lack of hotels, severe congestion on roads and inadequate airport facilities. Although there is an extensive railway network and more than five billion journeys are taken by rail in India each year, the railway network requires significant investment. Although there have been plans to improve the rail links for the "Golden Quadrilateral", however, these have yet to be implemented. The poor rail/road infrastructure also offers opportunities for growth by domestic airline operators. Given the difficulty of travelling in India, airlines are able to offer low fares between regional cities and the largest metropolitan areas. This will further expedite the process of expansion of existing airports and construction of new airports across India.

Over the past couple of years developments in the segment have led to strong growth in the civil aviation segment:

- Abolition of Inland Air Travel Tax and Foreign Travel Tax on domestic and international fares respectively;
- International growth due to private airlines' overseas expansion plans;
- Open-sky policy during peak season;
- Review of existing Air Service Agreements and addition of new international routes;
- Progressive liberalisation of bilateral agreements;
- Development of low cost carriers;
- Liberalisation of FDI in airports:
  - 100% FDI is permissible for existing airports
  - FIPB approval required for FDI beyond 74% in existing airports
  - 100% FDI under automatic route is permissible for greenfield airports, and
- The construction of greenfield airports.

The main regulatory agencies in the civil aviation segment are:

- The Ministry of Civil Aviation which is responsible for national policies for the development and regulation of the civil aviation segment;
- The Directorate General of Civil Aviation, responsible for the regulation of air transport services and the enforcement of civil aviation regulations, air safety and air worthiness;
- The Bureau of Civil Aviation Security establishes standards for pre-embarkation security and anti-sabotage measures; and
- The Airports Authority of India ("AAI"), which manages 127 airports and the entire Indian airspace.

Indian Airport Traffic

There are 449 airports and airstrips in India of which the AAI owns and manages 127 airports, including 15 international airports, 78 domestic airports, 8 customs airports and 25 civil enclaves at defence airfields.

In 2006-07, Indian airports are expected to handle a total passenger traffic of about 86.76 million passengers and about 1560.30 thousand tonnes of cargo.

Based on the Annual Report of the Ministry of Civil Aviation for 2006-07, there has been a growth of approximately 16.8% in total aircraft movement in 2005-06 from 2004-05. There has been an approximately 23.7% increase in the passenger traffic and a 9.7% increase in the cargo traffic in the same period.

Airport Modernisation Initiative

In its report, "A Road Map for the Civil Aviation Sector", the Ministry of Civil Aviation noted that the difficulties faced by the industry include outdated infrastructure, inadequate ground handling systems and night landing facilities, poor passenger amenities and the poor utilisation of existing and limited capacity. To address these issues, the GoI has initiated a number of policies to attract private sector investment. The AAI is inviting private and foreign investors to participate in the process, both in revitalising the key existing gateways, as well as in building new facilities in cities that are likely to attract traffic flows in the near future.

The GoI has allowed 100% FDI for Greenfield airports to encourage private participation. However, for modernisation projects, FDI is limited to 74% of the project cost. The government has also allowed 100% income tax exemption for 10 years to encourage private investment in Airports.

The Operation, Management and Development Agreement is one of the principal agreements governing the development of the Mumbai and Delhi airports. This agreement includes operational guidelines, responsibilities, and control provisions by the respective shareholders. This public-private partnership vehicle envisages a 74.0% equity interest in the respective airports held for 30 years by private parties, with the AAI holding the balance 26.0% of the equity interest.

Recent Privatisation of Airports in India

- Mumbai Airport: A consortium of GVK Power & Infrastructure, Airports Company South Africa Limited and Bidvest Group Limited holds 74.0% in Mumbai International Airport Limited. An estimated investment of Rs. 61.3 billion is expected to be made over a period of 20 years.
- Delhi Airport: A consortium of GMR Infrastructure, Fraport AG, Malaysia Airports Holdings Berhad and the India Development Fund holds 74.0% in Delhi International Airport Limited. An estimated investment of Rs. 79.6 billion is expected to be made over a period of 20 years.
- Hyderabad Airport: A consortium of GMR Infrastructure and Malaysia Airports Holdings Berhad holds 74.0% in GMR Hyderabad International Airport Limited. An estimated investment of Rs. 17.6 billion is expected to be made in the project.
- Bangalore Airport: A consortium of Siemens Projects Ventures, Larsen & Toubro and Unique Zurich Airport holds 74.0% in Bangalore International Airport Limited. An estimated investment of Rs. 14 billion will be made in the project.

Expected investments in Airports

Investment in Airports segment is likely to be Rs. 206 billion over 2007 – 2011 as against Rs. 35 billion during 2002 – 2007.

Additionally, the Ministry of Civil Aviation has proposed a modernisation plan of 35 non-metro airports in India over the next five years with an estimated investment of Rs. 47 billion.

BUSINESS

In this section, a reference to the "Company" means Maytas Infra Limited. Unless the context otherwise requires, references to "we", "us", or "our" refers to Maytas Infra Limited, its Subsidiaries, its Joint Ventures, its Associates, and Gautami Power, taken as a whole.

In this section, descriptions of contracts and agreements are not, nor do they purport to be, complete summaries of all terms or terms customarily found in such contracts and agreements.

Overview

We are a construction company and infrastructure developer. Our business is organised into two parts – Construction as a contractor on a contract basis and Infrastructure Development which involves identifying, sourcing, developing, and operating projects in infrastructure sectors.

We were incorporated in 1988. We have approximately two decades of experience in the construction business. A significant aspect of our strategy is to capitalise on our belief that India will continue to experience strong and growing demand for infrastructure.

In our construction business, we have historically focused on the irrigation, roads and bridges, and buildings infrastructure sectors. We have completed, and continue to undertake, construction projects in these sectors across 12 states of India: Andhra Pradesh, Karnataka, Tamil Nadu, Orissa, Chhattisgarh, Madhya Pradesh, Maharashtra, Himachal Pradesh, Haryana, Gujarat, Uttar Pradesh and Assam. More recently, we have diversified our portfolio of construction projects and are also undertaking civil construction projects in the power, industrial structures, oil and gas infrastructure, and railway sectors. The Company's Orderbook, inclusive of its share of the Orderbook undertaken by its construction business joint ventures, is Rs. 35,893.2 million as of June 30, 2007. Out of this, the Company's Orderbook on a stand-alone basis and excluding its share of the Orderbook undertaken by these joint ventures, was Rs. 26,999.2 million as of June 30, 2007. We are also identifying suitable partners, and positioning ourselves for expected opportunities in the water and waste water management, special economic zones, urban infrastructure, ports, and airport sectors as and when viable opportunities arise. We believe our experience, track record, and reputation allows us to secure pre-qualification approvals in a variety of infrastructure sectors in India, either in our own right or as a partner in a joint venture.

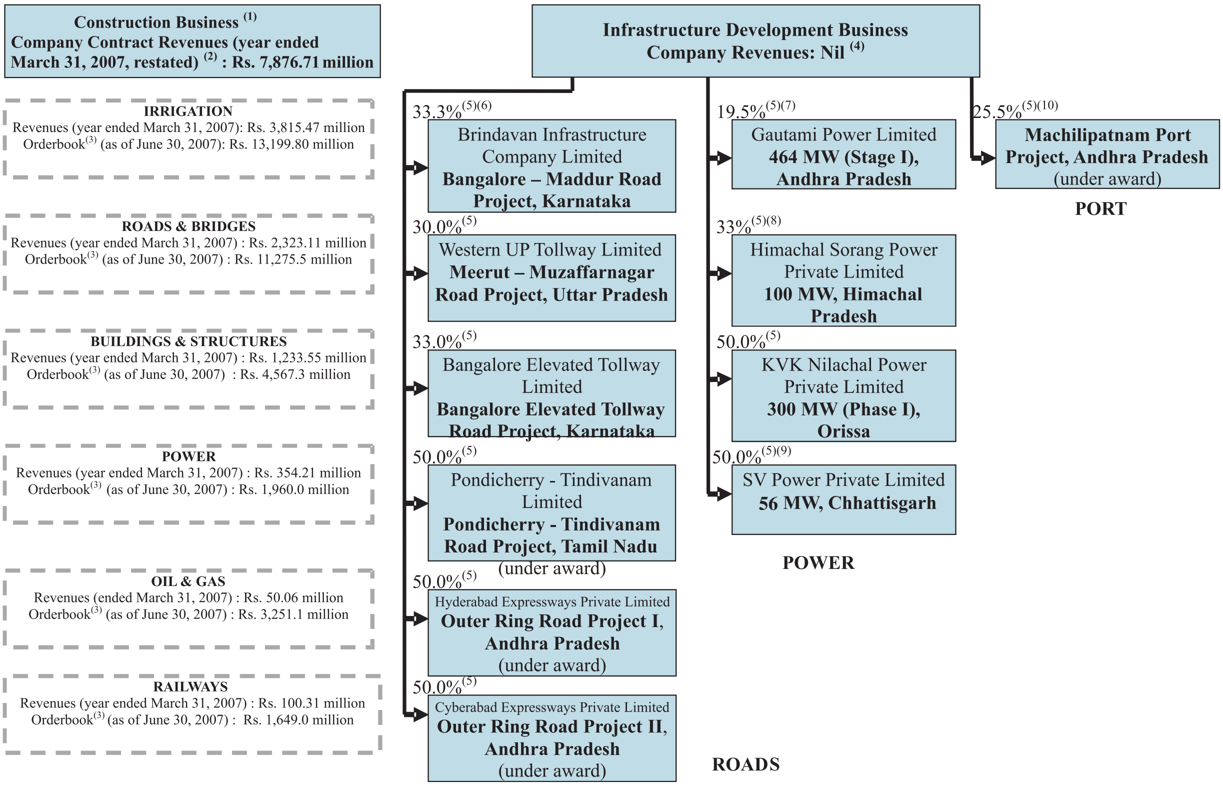
We are relatively new to the business of infrastructure development. In our infrastructure development business, we have completed one road project, and currently have six projects in the roads and power sectors either in the construction phase or in the pre-financial closure, development stage. Five additional infrastructure development projects are in the award stage.

Most of the work in both our construction business and infrastructure development business is awarded to us on a competitive bidding basis and, in most cases, the client is a government entity. When a client requires specific eligibility requirements for these projects, such as project experience, engineering capabilities, technical know-how, and financial resources, we may enter into project-specific joint ventures with other companies to meet and further enhance our credentials.

The Company's contract revenues on a restated unconsolidated basis have grown from Rs. 2,037.03 million in fiscal 2004 to Rs. 7,876.71 million in fiscal 2007, at a compound annual growth rate ("CAGR") of 57.0% and the Company's profit after tax has increased from Rs. 62.22 million in fiscal 2004 to Rs. 550.08 million in fiscal 2007, at a CAGR of 106.8%. This growth is mainly due to an increase in profits from the Company's participation in unincorporated joint ventures that are undertaking larger contracts. All of the Company's revenue to date has been from the construction business. As most of our infrastructure development projects are either in the construction or development phase, and have not yet commenced commercial operation, we do not expect to earn any significant revenue (which will primarily be in the form of dividends) from this business in the near future.

We have received a certificate from AQA International, LLC in respect of our quality management system (ISO 9001:2000, valid until February 27, 2009). This certification is accredited by the ANSI-ASQ National Accreditation Board.

A functional organisational chart of our business is as follows. For the infrastructure development business, percentages show equity interest pursuant to the shareholders' agreements and, in the case of Himachal Sorang Power, upon conversion of the non-redeemable fully convertible debentures.



1. The construction business is currently carried out directly by the Company and, in some cases, through unincorporated joint ventures with third parties. The Company has recently formed Subsidiaries and an Associate, Dhabi Maytas, which are not shown on this organisational chart.
2. Revenue is on an unconsolidated basis.
3. We define Orderbook as revenues from projects (i) awarded to us on a prior date and in respect of which we entered into signed agreements or have letters of award or work orders and (ii) for which we have commenced work but not recognized revenue under the percentage of completion method or for which work had not yet commenced. The Orderbook data in the organisational chart is as of June 30, 2007 and is inclusive of the Company's share of the Orderbook undertaken by its construction business joint ventures.
4. As of March 31, 2007, the Company had not received any dividends from its Associates and other companies through which it carries out its infrastructure development business. The status of these projects as at the date of this Red Herring Prospectus is as follows: the Bangalore – Maddur road project is operational and Brindavan Infrastructure has received its first annuity payment; construction of the 464 MW Gautami power project is substantially complete; and the remaining projects are either in the construction, development or award phase. We do not expect to receive any significant revenue (which will primarily be in the form of dividends) from these projects in the near future.
5. Percentage of the Company's participation interest pursuant to the shareholders' agreement and, in the case of Himachal Sorang Power, upon conversion of the non-redeemable fully convertible debentures. In the case of the Machilipatnam Port project and both Outer Ring Road projects, participation interest is pursuant to the memoranda of understanding.
6. Participation interest as of March 31, 2007 was 33.3%.
7. Participation interest as of March 31, 2007 was 19.2%.
8. Pursuant to a shareholders' agreement, the participation interest of NCC is currently 90.0% and the Company and SSJV Projects Private Limited currently each hold a 5.0% participation interest in Himachal Sorang Power. The Company and SSJV Projects are required to subscribe to the capital of Himachal Sorang Power in the form of non-redeemable fully convertible debentures which will be issued at par for a consideration of Rs. 365.0 million. The debentures will carry zero coupon rate and will be converted at par into equity shares of Himachal Sorang Power after a period of two years from the commercial operations date resulting in a reduction of NCC's shareholding to 34% and an increase in both the Company's and SSJV Projects' shareholding to 33%.

9. Participation interest as of March 31, 2007 was 6.3%.
10. The Company has agreed, in-principle, to reduce its shareholding from 40.0% to 25.5% subject to the approval of the Government of Andhra Pradesh.

Our Strengths

We believe our principal competitive strengths are as follows:

Extensive experience and strong track record in the construction business

We have experience, established track record and reputation for efficient project management, execution and timely completion of projects for nearly two decades in the construction sector. We believe that our expertise in successful and timely implementation of projects provides us with significant competitive advantages. Further this enables us to better position ourselves to deal with construction or implementation risk. We believe we have good working relationships with sub-contractors across our various service regions. Such relationships facilitate the efficient execution of projects.

Integrated execution capabilities with in-house construction and management capabilities

The Company has the ability to provide construction services to third parties as well as to BOT/BOOT projects developed by us. We believe these in-house construction capabilities distinguish us from pure project developers and enhance our competitiveness. In addition, our capabilities allow us to tender/bid for projects requiring unique expertise.

Diversified portfolio across various infrastructure sectors and geographic locations

Our construction contracts are diversified across six sectors namely irrigation, roads and bridges, buildings and structures, power, oil and gas, and railways. Our infrastructure development projects are in the road, power, and ports sectors. These projects are geographically dispersed across 12 states in India. Through this sectoral and geographic diversity, we are able to mitigate the risks associated with operations in specific sectors and specific states in India. Additionally, we have begun to explore opportunities outside India. In December 2006, the Company established a joint venture in Dubai to explore construction opportunities in the Middle East region.

Ability to meet pre-qualification credentials

We believe we can meet the qualification requirements of the central and state governments for a large number of their infrastructure projects across sectors, in terms of having the requisite experience, technical know-how, and financial resources, either in our own right or as a partner in a joint venture. Our credentials enable us to enter into joint ventures and partnerships with reputable partners which, in turn, enable us to bid for large and complex projects.

Professionally managed company with an experienced management and a qualified employee base

We are a professionally managed company with a qualified and trained workforce of approximately 1,400 employees as of June 30, 2007. Our management team is well qualified and experienced in the industry and is responsible for the growth in our business operations. In addition, our Board, with a strong combination of managerial acumen as well as entrepreneurial spirit, is equipped to handle both domestic and international business situations. We believe that a motivated and empowered employee base is essential to maintaining our competitive advantage. We are dedicated to the professional development of our employees and continue to invest in them to ensure that they have the necessary skills. We have launched Maytas Construction Skills Training Program with the objective of attracting, training and deploying skilled employees in our construction projects on an ongoing basis.

Our Strategy

Continue to grow by investing in various infrastructure sectors

We are actively focused on becoming a diversified infrastructure player. We are focused on exploring opportunities in the sectors such as thermal and hydro-electric power, power transmission and distribution, oil and gas, railways, water and waste water management, special economic zones, urban infrastructure, ports, and airports across various locations in India and a select footprints offshore. We believe this will help diversify the Company's sources of revenue and mitigate risks.

Grow our infrastructure development business

The Government has laid emphasis on encouraging participation in infrastructure development through public-private partnerships. We believe BOT/BOOT projects as part of such initiatives offer opportunities for accelerated and sustainable growth for the Company. Currently, we are participating as a consortium member in nine ongoing BOT/BOOT projects in the road, power, and port sectors. We intend to actively pursue BOT/BOOT opportunities, both independently and in partnership with Indian and international partners. We believe that our experience and strong track record in the construction business will provide us with a significant advantage in pursuing BOT/BOOT opportunities.

Continue to enhance our core strengths such as execution capability

We believe that our ability to effectively manage projects in multiple geographic regions is crucial to our continued success as a recognised infrastructure company at a national level. We have in place an experienced and well-qualified execution team, with skills in various fields, including civil, structural, electrical and instrumentation air conditioning. We intend to continuously strengthen our execution capabilities by adding to our existing pool of engineers, attracting new graduates from leading engineering colleges in India, and facilitating continuous learning with in-house and external training opportunities.

Build upon our synergistic position in infrastructure development

We believe we are an established player in the construction industry. We intend to pursue our goals of capitalising on the synergy between our established presence in the construction industry and infrastructure development capabilities. Accordingly, we will identify and participate in new opportunities and expand in those sectors where we derive the necessary strengths from our existing core competencies in terms of technical expertise, execution skills and an established presence.

Target BOT /BOOT and projects requiring specialised construction skills

We intend to expand our operations to BOT/BOOT projects and projects requiring specialised construction skills. These projects are generally larger in scale and have fewer competitors qualified to bid. We believe these projects offer better margins and hence improved returns. We continue to seek strategic alliances and project-specific joint ventures with Indian and foreign partners to target these larger scale infrastructure projects and projects requiring specialised constructions skills. For example, in our construction business, some of our international joint venture partners with whom we are exploring new opportunities and/or bidding for new construction contracts in the roads and bridges, buildings and structures, power, oil and gas, and railways sectors include Chinese, Taiwanese, Malaysian, and Ukrainian companies.

Inorganic growth

We may consider opportunities for inorganic growth such as through mergers and acquisitions if among other things they (i) strengthen our pre-qualification criteria in specific areas, (ii) enhance our execution capabilities in niche areas, (iii) increase our pool of qualified engineers and other technically qualified staff, and (iv) enhance the Company's financial position. At present, we are not, however, evaluating any specific proposals for inorganic growth in connection with which we have entered into any agreement, memorandum of understanding, or letter of intent.

Our Construction Business

Our construction business involves executing civil construction contracts. Our services include civil design and engineering, procurement of construction materials, fuel and equipment and construction of the project. Historically, most of our construction contracts have been in the irrigation, roads and bridges, and buildings and structures infrastructure sectors. In accordance with our strategy to continue to diversify into other infrastructure sectors, we have identified other sectors for future expansion and have already begun developing projects in the power, oil and gas infrastructure, and railway sectors. We are also identifying suitable partners and positioning ourselves for expected opportunities in the water and waste water management, special economic zones, urban infrastructure, ports and airport sectors as and when viable opportunities arise.

The table below sets forth the Company's Orderbook as of June 30, 2007. We define Orderbook as revenues from projects (i) awarded to us on a prior date and in respect of which we entered into signed agreements or have letters of award or work orders and (ii) for which we have commenced work but not recognized revenue under the percentage of completion method or for which work had not yet commenced.

Sector	Orderbook of Company on a stand-alone basis (1)		Orderbook of Company's share of Joint Ventures (2)		Total	
	No. of Projects	(Rs. in millions)	No. of Projects	(Rs. in millions)	No. of Projects	(Rs. in millions)
Irrigation	20	4,296.2	13	8,894.1	33	13,190.3
Roads and Bridges	12	11,275.5	-	-	12	11,275.5
Buildings and Structures	6	4,567.3	-	-	6	4,567.3
Power	18	1,960.0	-	-	18	1,960.0
Oil and Gas	2	3,251.1	-	-	2	3,251.1
Railways	2	1,649.0	-	-	2	1,649.0
Total	**60**	**26,999.1**	**13**	**8,894.1**	**73**	**35,893.2**

1. Excludes the Company's share of the Orderbook undertaken by its construction business joint ventures.
2. Includes Company's share of the Orderbook undertaken by its construction business joint ventures.

As there is often an overlap between the type of construction work carried out across different sectors, we generally classify and assign a construction contract to a sector category based on the government entity or department or the third party that is a counter-party to that contract. We have completed, or are currently undertaking, construction contracts for the following types of projects across the different infrastructure sectors:

Irrigation	Roads & Bridges	Buildings & Structures	Power	Others
Irrigation Projects· ● Dams· ● Canals· ● Tunnels	**Roads** ● National highways/ expressways ● State highways ● Rural roads ● Operations and maintenance **Bridges** ● Girders, rail-over-bridges and road-under-bridges	**Residential/ Commercial** ● Integrated Townships ● Residential/ commercial complexes	**Civil construction** ● Gas fired power station ● Coal fired power station ● Hydroelectric power station ● Transmission and distribution infrastructure ● Industrial electrification ● Power evacuation	**Oil and gas infrastructure** ● Storm water drains ● Underground drains ● Excavation **Railways·** ● Bridges

Irrigation

We have been involved in irrigation projects since 1988. The services provided by us include design, engineering and construction. Most of our completed and current irrigation projects are either fixed-price lump contracts or item-rate contracts. As of June 30, 2007, we have 33 irrigation projects in different stages of construction underway in the states of Andhra Pradesh, Maharashtra and Chhattisgarh, and the union territory of Puducherry.

Our key irrigation contracts currently being undertaken independently by us or as part of a joint venture are described below.

1. *Tadipudi Lift Irrigation Project, Andhra Pradesh*

   Overview

   The Company and the Government of Andhra Pradesh entered into an agreement on October 4, 2004 for, among other things, the design, construction and improvement of a canal network of 80.5 Km including cross masonry and cross drainage works. This project will enable the irrigation of 138,000 acres in the West Godavari District, in the state of Andhra Pradesh.

   Time for completion of the project is 24 months or a period covering two kharif crops, whichever is later, from the date of the agreement. In October 2006, we were granted an extension to the scheduled completion date due to delays in obtaining the required land and related permits for the canal construction. The revised scheduled completion date for this project is October 2007.

   The agreement is a fixed lump sum, turn-key contract valued at Rs. 1,783.6 million, with no escalation clause for an increase in material or labour costs. The agreement provides for progress payments to the Company as work milestones are completed. The Company was provided with a mobilisation advance for initial equipment and labour costs in order to begin construction. The Company is also obligated to undertake extra items of work at no extra cost to the client.

   The Government of Andhra Pradesh will withhold a certain amount from progress payments made to the Company as security for the timely completion of the project. Upon completion of the project, the Company will receive full payment for all work completed, including the repayment of any security amounts withheld by the Government of Andhra Pradesh. The Company has also provided additional security to the Government of Andhra Pradesh in the form of an irrevocable bank guarantee that will expire upon the completion of the project. The defects liability period for the project is 24 months or a period covering two kharif crop seasons, whichever is later, following the issuance of a completion certificate by the engineer-in-chief.

   The Company is subject to liquidated damages for delays in completion of the various project phases or for delay in completion of the overall project by the scheduled completion date. Liquidated damages are capped at 10.0% of the aggregate contract value.

   The Government of Andhra Pradesh may terminate the agreement at will, subject to payment to the Company for work completed up to the termination date.

2. *Gandikota Dam Project, Andhra Pradesh*

   Overview

   The Company and Nagarjuna Construction Company Limited entered into a joint venture agreement on July 9, 2004. The unincorporated joint venture entity is known as "Maytas–NCC JV". The purpose of the joint venture is to bid and execute irrigation projects, on a turn-key basis, for water resource development projects in the state of Andhra Pradesh. The Gandikota Dam is the first such project to be undertaken by the joint venture. The Company and Nagarjuna Construction Company each have a 50.0% participation interest in this joint venture with the Company designated as the 'Partner in Charge' and authorised to receive instructions, act and incur liabilities on behalf of the joint venture. The joint venture agreement provides for joint and several liability of the parties. Any assignment of rights and/or liabilities is subject to the prior written consent of the other party. Failure by either party to complete the required work or cure a material breach will permit the non-defaulting party to complete the outstanding work or remedy such breach at the cost of the defaulting party.

   The Irrigation and Command Area Development Department, Government of Andhra Pradesh (the "Department"), awarded Maytas–NCC JV the contract of constructing the Gandikota Dam across the Penna River, earthwork excavation of the main canal, construction of cross masonry and cross drainage works stretching 24.3 Km, construction of a head regulator, and construction of the approaching roads to the Gandikota Dam in the Cuddapah District, Andhra Pradesh. This irrigation project diverts flood waters from the Srisailam Dam to irrigate 325,000 acres in the districts of Cuddapah, Chittoor and Nellore in Andhra Pradesh. Maytas–NCC JV was the successful bidder out of six bid participants for this contract. The Company commenced construction work in March 2005. The estimated completion date of the project is December 2008.

Maytas–NCC EPC Agreement

The Department entered into an EPC agreement with Maytas–NCC JV on October 25, 2004 (the "Maytas–NCC EPC Agreement"). The contract price is Rs. 2,502 million. Under the Maytas–NCC EPC Agreement, the joint venture is responsible for all aspects of the project and related costs, including obtaining the required permits and approvals, securing the supply of utilities, design and engineering, and the preparation of land schedules.

The Maytas–NCC EPC Agreement is a fixed lump sum, turn-key contract. Payment under the Maytas–NCC EPC Agreement is made based upon work completion reports submitted to the engineer-in-charge indicating the value of the work completed up to a certain date. The Department will withhold a certain amount from payments to the joint-venture as security for the timely completion of the project. Upon completion of the project, Maytas–NCC JV will receive payment for all work completed, including repayment of any security amounts withheld by the Department. The Company has also provided additional security to the Department in the form of an irrevocable bank guarantee that will expire upon the completion of the project.

Any increase in the scope of work shall be referred to a committee, the composition of which is to be proposed by the Department, in order to determine any additional costs payable to Maytas–NCC JV.

The Maytas–NCC EPC Agreement provides that project completion is required to be achieved 30 months from the date of the Maytas–NCC EPC Agreement and is subject to "rate of progress" updates. The executive engineer may grant reasonable extensions of time pursuant to a determination that the delay in completion was unavoidable and beyond the control of Maytas–NCC JV. The Maytas–NCC EPC Agreement provides for liquidated damages for unapproved delays. However, the total liquidated damages payable are capped at 10.0% of the overall contract value.

The project is not deemed complete until the completion certificate has been issued by the engineer-in-charge. Under the terms of the Maytas–NCC EPC Agreement, Maytas–NCC JV is eligible to a bonus as an incentive for early completion of the project.

The Company is required to maintain an insurance policy for the duration of the project and through the defects liability period. The defects liability period is 24 months, or two kharif crop seasons, whichever is longer, following the date of the completion certificate. Maytas–NCC JV is also responsible for damages due to rain or flood and payments for such damage are not reimbursable by the Department. Maytas–NCC JV will bear the responsibility of de-silting and repairing any other damage in relation to rain or flood.

In addition to customary termination events, the Department may terminate the Maytas–NCC JV EPC Agreement at will.

The project bidding documents also incorporate certain standard terms and conditions which were incorporated in the Maytas–NCC EPC Agreement. These general conditions include liquidated damages provisions for undue delay, monthly payment provisions to the contractor for works completed and rights of termination for parties to the agreement. On December 23, 2006, Maytas-NCC JV sub-contracted additional work to the Company valued at Rs. 69.49 million.

On April 19, 2007, the Government of Andhra Pradesh and Maytas-NCC JV entered into a supplemental agreement for additional work, which includes storage of water and widening 24.33 Km of the main canal, at a contract price of approximately Rs. 795.5 million less a nominal discount.

3. *Kumaradhara and Pasupudhara Dam Project, Andhra Pradesh*

Overview

The Company and Sri Shankaranarayana Constructions Company ("SSCC") entered into a joint venture agreement on May 27, 2004. The unincorporated joint venture entity is known as "Maytas–Shankaranarayana JV". The purpose of the joint venture is to construct concrete gravity dams across the Kumaradhara and Pasupudhara streams, including construction of a spillway arrangement for the Pasupudhara dam at Tirumula Hills in the Chittoor District of the state of Andhra Pradesh. Both dams provide drinking water to residents of the Tirumula Hills. As of March 31, 2007, the Company and SSCC each have a 50.0% participation interest in the joint venture. The Company is designated as the 'Lead Partner' with authority to receive instructions, act, and incur liabilities on behalf of the joint venture. The joint venture agreement provides for joint and several liability of the parties. Any assignment of the rights and/or liabilities is subject to the prior written consent of the other party.

Maytas-Shankaranarayana JV entered into an agreement dated August 25, 2004 with the Board of Trustees of T.T. Devasthanams, to undertake this project. Construction is required to be completed within 30 months from handing over of the site/premises to Maytas–Shankaranarayana JV.

On October 25, 2004, the Company and the Board of Trustees of T.T. Devasthanams entered into an EPC agreement with Maytas–Shankaranarayana JV (the "Maytas–Shankaranarayana EPC Agreement"). This contract was awarded on an item-rate basis. The contract price, based on the estimate of quantities specified in the BOQ schedule, is Rs. 732.3 million. We commenced construction work in March 2005. The estimated completion date of the project is September 2007.

The general terms and conditions of the Kumaradhara and Pasupudhara Dam project are similar to those for the Gandikota Dam project described above.

4. *Bheema Lift Irrigation Project, Andhra Pradesh*

Overview

The Company, Navayuga Engineering Company Limited ("NEC") and NCC entered into a joint venture agreement on November 4, 2004. The unincorporated joint venture entity is named "NEC-NCC-Maytas JV". The purpose of the joint venture is to construct pumping stations as part of Lift-I of the Bheema Lift Irrigation Project and Lift-II of the Bheema Lift Irrigation Project. Both pumping stations lift water from the foreshore of Ramanpad balancing reservoir near Thirumalayapally Village, Kothakota Mandal, Mahaboobnagar District in the state of Andhra Pradesh. These projects involve civil, mechanical and electrical design, engineering, installation, and commissioning of high voltage lines and installation of a water pumping station. As of March 31, 2007, the participation interest in the joint venture by the Company is 25.0%, 50.0% for NEC and 25.0% for NCC. NEC is designated as the 'Lead Partner' with authority to receive instructions, act, and incur liabilities on behalf of the joint venture. Each party has the right to appoint one representative to the board of directors of NEC-NCC-Maytas JV. The joint venture agreement provides for joint and several liability of the parties. Any assignment of the rights and/or liabilities under the joint venture agreement is subject to the prior written consent of all other parties. NEC-NCC-Maytas JV was awarded this contract by the Government of Andhra Pradesh in October 2004 on an item-rate basis. The Company commenced work in April 2005. The expected completion date of the project is the fourth quarter of calendar year 2007.

Under the joint venture agreement, the Company's responsibility is limited to the civil design and engineering of the project's tunnels, construction of such tunnels, the related civil works and the operation and maintenance of such tunnels for three years following their completion.

Failure by the Company to complete the works or to cure any breach will permit the non-defaulting parties to complete the outstanding work at the cost of the Company.

On April 22, 2005, NEC-NCC-Maytas JV and NEC entered into a supplementary agreement pursuant to which NEC assumed responsibility for the civil works, electrical works and electro-mechanical works related to construction of the Stage 1 and Stage 2 pumping stations of Lift-II of the Bheema Lift Irrigation Project. NEC has agreed to indemnify both the Company and NCC against any claims, losses, damages or costs incurred by them in relation to the electro-mechanical equipment.

NEC-NCC-Maytas EPC Agreement

On March 14, 2005, the project administrator and superintending engineer of the Bheema Project Circle entered into an EPC agreement with NEC-NCC-Maytas JV (the "NEC-NCC-Maytas EPC Agreement"). This contract was awarded on a fixed-price basis. The Company commenced its scope of work as set forth in the joint venture agreement in April 2005. The estimated completion date of the project is October 2007. The general terms and conditions of the Bheema Lift Irrigation project are similar to those contained in the Gandikota Dam project described above.

5. *GNSS Flood Flow Canal*

On March 6, 2007, Maytas–NCC (JV), in which the Company has a 50.0% participation interest as a joint venture partner, and the Governor of Andhra Pradesh entered into an agreement pursuant to which Maytas-NCC was contracted to investigate, design and excavate the GNSS flood flow canal stretching a length of 11.7 Km, including construction of cross masonry and cross drainage works, in the Kurnool District, Andhra Pradesh. The Maytas–NCC (JV) is the same joint venture with Nagarjuna Construction Company that is undertaking the Gandikota Dam project described above. The contract is a lump sum contract for Rs. 1,716.3 million. The Government is entitled to withhold a portion of the monthly progress payments as a performance guarantee. The construction period is 24 months from the date of the agreement.

6. *JCR Godavari Lift Irrigation Project (Phase II)*

On February 20, 2007, NCC sub-contracted to the Company the civil construction of a balancing tank and excavation and formation of an earthen bund at Gandiramaran and the civil construction of an irrigation tank and excavation and formation of an earthen bund at Veldanda. The work is part of the JCR Godavari Lift Irrigation Project (Phase II) in the Warangal District, Andhra Pradesh. Work to be undertaken by the Company is pursuant to four work orders issued by Nagarjuna Construction Company with each work order required to be completed in the fourth quarter of calendar year 2007. Each work order is on an item-rate basis. Two work orders include a price escalation clause for diesel fuel. The aggregate contract value of all four work orders, based on the estimated quantities of items specified in the BOQ schedule, is Rs. 373.5 million. The work under the purchase orders has to be completed within nine months from the date of the work order, including the monsoons.

The Company will receive monthly payments for works jointly measured and recorded by Nagarjuna Construction Company and the Company's site engineers based upon the rates specified in the BOQ schedule, subject to NCC withholding 5.0% of the Company's monthly invoice as a performance guarantee. One half of the performance guarantee is released upon the Nagarjuna Construction Company project manager issuing a completion certificate in respect of the entire works and the balance is released when the defects liability period ends under the principal contract between HCC-NCC (JV), a joint venture between Nagarjuna Construction Company and Hindustan Construction Company Limited, and the Irrigation and Command Area Development Department, Government of Andhra Pradesh (the "Department"). The defects liability period is 24 months from the date of completion of the entire phase II of the project and handing over of the project to the Department. Under each work order, the Company is entitled to an interest-bearing mobilisation advance, for an amount specified in each work order, which will be recovered by Nagarjuna Construction Company on a *pro rata* basis from monthly invoices submitted by the Company prior to completion of 80.0% of the total scope of the work by the Company.

All of the specifications for the scope of work, general terms and conditions, including the payment of liquidated damages at the rates specified in the principal contract between HCC-NCC (JV) and the Department, apply to the Company.

7. *Chitravathi Balancing Reservoir Right Canal (Lingala Canal), Andhra Pradesh*

The Maytas-NCC JV and the Government of Andhra Pradesh entered into an agreement on October 25, 2004 for the investigation, design, preparation of hydraulic particulars, estimates and execution of works along 53.0 Km of the

Chitravathi Balancing Reservoir Right Canal (Lingala Canal) and its distributories. This project includes cross masonry and cross drainage works that will enable the irrigation of approximately 25,000 acres in the state of Andhra Pradesh; construction of a link canal, cross regulator and head regulator, and lift irrigation system; supply and fabrication of hydro mechanical components; and erection of vertical gates, stop log gates and accessories for the Lingala irrigation scheme in Cuddapah district.

Time for completion of the project has been extended to the end of calendar year 2008. For the duration of the project, Maytas-NCC JV is obligated to provide progress updates. The independent engineer may grant extensions of time for unavoidable delays.

The agreement is a fixed lump-sum, turn-key contract valued at approximately Rs. 1,480.5 million, with no escalation for an increase in labour costs and materials except cement, steel, and fuel price increases of more than 5% over base rates. The agreement provides for progress payments to Maytas-NCC JV as work milestones are completed.

Maytas-NCC JV is obligated to provide insurance coverage from the start date until the end of the defects liability period. The defects liability period for the project is 24 months, or a period covering two kharif crop seasons, whichever is later, following the issuance of a completion certificate by the engineer-in-charge. If Maytas-NCC JV fails to correct any defect within the time specified by the engineer-in-charge, Maytas-NCC JV will be assessed the cost of rectifying the defect. Additionally, Maytas–NCC JV is responsible for damages due to rain or flood and payments for such damage are not reimbursable by the Department. Maytas–NCC JV will bear the responsibility of de-silting and repairing any other damage in relation to rain or flood. In such cases, an extension of time will be granted on the merits of the case.

Any work that is necessary or required for the proper completion and functioning of the project, whether specifically described in the contract or not, is considered within the scope of work, and Maytas-NCC JV is not entitled to any extra compensation.

On completion of the project, Maytas-NCC JV will receive repayment of half of the security amounts withheld by the Government of Andhra Pradesh. The balance will be released after the end of the defects liability period. Maytas-NCC JV has also provided additional security to the Government of Andhra Pradesh in the form of bank guarantees that will expire November 30, 2008.

Maytas-NCC JV is subject to liquidated damages for delays in completion of the various project phases or for delay in completion of the overall project by the scheduled completion date. Liquidated damages are capped at 10.0% of the aggregate contract value.

The Government of Andhra Pradesh may terminate the agreement for a fundamental breach by Maytas-NCC JV or for convenience, subject to payment to Maytas-NCC JV for work completed up to the termination date.

On May 18, 2007, Maytas-NCC JV and the Government of Andhra Pradesh entered into a supplemental agreement for additional work to provide an area of 34,490 acres under the Chitravathi Balancing Reservoir Right Canal project. The contract price for the additional work is Rs. 1,678.4 million, or such other sum as may be arrived at under the clause of the standard preliminary specifications relating to payment on lump-sum basis. On February 1, 2007 Maytas-NCC JV sub-contracted additional work to the Company, valued at Rs. 70 million.

Below is a selection of some of our significant completed irrigation projects over the past four years.

Name and Description of Project	Contract Value[1] (Rs. in millions)	Completion Date[2]
Saraswathi Canal Modernisation of canal works in Karimnagar District	66.8	March 24, 2006
KC Canal LCB-02 Excavation and cement concrete lining of a canal system	173.9	April 21, 2006
NSR Canal Rehabilitation and modernisation of Nagarjuna Sagar canals	235.1	December, 2005
Gudepalli Gattu Construction of two earth dams for a lift irrigation scheme on the Krishna River	135.2	June 30, 2005
Jonnalaboguda-1 Construction of two earth dams for a lift irrigation scheme on the Krishna river	121.6	June 30, 2005
Jonnalaboguda-2 Construction of two earth dams for a lift irrigation scheme on the Krishna River	131.6	June 30, 2005
Jonnalaboguda-3 Construction of two earth dams for a lift irrigation scheme on the Krishna River	109.3	June 30, 2005
LCB -23 Excavation and cement concrete lining of a canal system	137.1	June 26, 2005
KC Canal LCB -06 Excavation and cement concrete lining of a canal system	145.8	February 27, 2005
Priyadarshini Jurala Project-PL7 Cement concrete lining of canals for the Jurala Project on the Krishna River	73.5	October 29, 2004
Priyadarshini Jurala Project-PL5 Cement concrete lining of canals for the Jurala Project on the Krishna River	57.0	October 19, 2004
Kovvada Kalva Construction of an earth dam	260.4	March 31, 2004
KP Canal Supply of drinking water project to Chennai from Krishna River	207.1	July 23, 2004
SRBC Akumalla Cement concrete lining of canal network	118.0	July 31, 2003

1. Contract value represents the Company's share of the billed amount under each contract in the case of item-rate contracts and the contract price in the case of lump sum contracts inclusive in each case of an amount, if any, withheld by a client as a performance bond.
2. The completion date is the date specified in the completion certificate issued by the client on which all work was completed. The Company, however, may still be subject to obligations under the contract until such time as the defects liability period has lapsed.

Roads & Bridges

In the roads and bridges sector, we are primarily involved in the construction of roads and highways, including the widening of existing roads by increasing the number of lanes, as well as the construction of bridges and tunnels.

Most of our road and bridge contracts are on item-rate basis and we generally do not undertake the design work.

As of June 30, 2007, we currently have 12 road and bridge contracts in different stages of construction underway in the states of Assam, Chhattisgarh, Karnataka, Uttar Pradesh, Maharashtra and Tamil Nadu.

Our key road and bridge construction contracts currently being independently undertaken by us, or as part of a joint venture, or contracts with our Associates where the Company incurs the cost of constructing and maintaining the project and is paid predetermined charges by the Associate are described below.

1. *Meerut-Muzaffarnagar Road Project, Uttar Pradesh*

   Overview

   This project involves the improving, rehabilitating and strengthening, operating and maintaining, and tolling of a two-lane road and widening the same into a four-lane divided highway stretching 79 Km of the Meerut to Muzaffarnagar section of National Highway-58 (NH-58) in the state of Uttar Pradesh. The civil construction work includes construction of major and minor bridges, rail over bridges, major junctions, pedestrian over bridges, drains and culverts. Our Associate, Western UP Tollway was awarded this project on a BOT basis with a 20-year concession period. For details, see "—Our Infrastructure Development Business ¯Roads ¯ 2. Meerut-Muzaffarnagar Road Project, Uttar Pradesh" beginning on page 84 of this Red Herring Prospectus. Western UP Tollway has contracted to us and each of the other sponsors, NCC and Gayatri Projects Limited, a separate EPC contract. Each such EPC contract is being performed independently and simultaneously by each of the sponsors and covers different sections of the 79 Km road project. The Company is responsible for 21.5 Km (Km 52.5 to Km 74 of NH-58), Gayatri Projects is responsible for 31 Km (Km 74 to Km 105 of NH-58) and NCC is responsible for 26 Km (Km 105 to Km 131 of NH-58).The estimated total cost of the project is Rs. 5,350 million of which Rs. 267 million had been spent as of March 31, 2007. Construction of the project commenced in September 2006 and is expected to be completed in the second quarter of calendar year 2009 with commencement of operations and tolling following immediately thereafter.

   The Maytas EPC Agreement

   We entered into an EPC contract with Western UP Tollway on January 16, 2006 (the "Maytas EPC Agreement"). The scope of the Maytas EPC Agreement includes the performance and execution by us of all the design and engineering, procurement of all labour, equipment and materials, and construction of a 21.5 Km stretch of the highway project in strict compliance with the design and construction standards and requirements of the Maytas EPC Agreement in a timely manner and to the satisfaction of Western UP Tollway. The Maytas EPC Agreement is a fixed lump sum contract with monthly progress payment for costs incurred by the Company for work completed during the month immediately prior to monthly period covered by the payment notice. The Maytas EPC Agreement was amended on August 28, 2006 to increase the contract price from Rs. 1,300.0 million to Rs. 1,375.0 million due to increases in the price of bitumen and other materials used in the construction of the highway project. The other EPC contractors also entered into similar amendments in connection with their respective EPC agreements. If a change in the scope of work by the NHAI results in additional costs, Western UP Tollway is required to reimburse the Company for such additional cost to the extent it has received and/or is entitled to receive amounts from the NHAI to cover such additional costs. Western UP Tollway is also entitled to an early completion bonus from the NHAI, if the completion certificate is issued prior to the scheduled completion date.

   If the Company fails to complete the works by the scheduled project completion date, the Company is required to pay Western UP Tollway liquidated damages.

   During the defects liability period, the Company is required to carry out all works necessary to rectify any defect in or damage to the works attributable to its workmanship, equipment and materials used by it, and services associated with carrying out the construction of its portion of the highway project. The defects liability period is two years from the date the completion certificate was issued and ends once any outstanding defects have been remedied.

Although construction work is deemed to be complete when the project engineer issues a provisional certificate of completion or a completion certificate, the Company's defects liability obligations are valid for a period of two years from the date of the completion certificate.

2. Bangalore-Hosur Road Project, Karnataka

Overview

This project involves the construction of a four-lane elevated highway stretching 9.25 Km, improvement of the section below the elevated highway stretching approximately 10 Km (including construction of six underpasses), and widening a 14.4 Km stretch of road into a six-lane divided highway stretching along the Bangalore-Hosur section of National Highway 7 (NH-7) from Silk Board Junction to Electronic City Junction in the state of Karnataka. Our Associate, Bangalore Elevated Tollway, was awarded this project on a BOT basis with a 20-year concession period. For details, see the section "—Our Infrastructure Development Business — Roads — 3. Bangalore Elevated Tollway Project, Karnataka" beginning on page of 87 of this Red Herring Prospectus. Bangalore Elevated Tollway has contracted to us and each of the other sponsors, Soma Enterprises Limited and NCC, a separate EPC contract. Each such EPC contract is being performed independently and simultaneously by each of the sponsors and covers different sections of the road project. The Company is responsible for 3.4 Km (Km 15.3 to Km 18.7), NCC is responsible for 2.8 Km (Km 12.5 to Km 15.3), and Soma Enterprises is responsible for 3.7 Km (Km 8.7 to Km 12.4).

The estimated total cost of the project is Rs. 7,757.2 million of which Rs. 2,196.6 million had been spent as of March 31, 2007. Construction of the project commenced in October 2006 and is expected to be completed in the third quarter of calendar year 2008 with commencement of operations and tolling following immediately thereafter.

Maytas EPC Contract

The Company entered into an EPC contract with Bangalore Elevated Tollway on May 29, 2006. The contract price for the Maytas EPC Agreement is Rs. 2,240 million. The terms for this Maytas EPC Contract are similar to those described above for the Meerut-Muzaffarnagar Road project, Uttar Pradesh.

3. Naogaon-Daboka Road Project, Assam

On September 1, 2005, the NHAI and the Company entered into an agreement for the widening and strengthening of a highway from a two-lane throughway to a four-lane throughway from Km 36.0 to Km 5.5 of the Daboka to Naogaon section of National Highway 36 (NH-36) in the state of Assam. This project was awarded on an item-rate basis. The contract price, based on the estimate of quantities specified in the BOQ schedule is Rs. 2,021.8 million. We commenced work in November 2005 and expect to complete construction late in the second quarter of calendar year 2008.

Under the agreement, the Company receives monthly payments for work completed pursuant to a determination of completed works by the project engineer. The agreement does not include a price escalation clause for items included in the BOQ as a result of price variations. However, items that are not included in the BOQ are subject to price adjustment by mutual agreement between the Company and the NHAI. Failure to reach an agreement for such items will permit the project engineer to allocate a price for such items.

The agreement also provides for a mobilisation advance capped at 5.0% of the total contract value. The mobilisation advance must be used within 12 months of the project's commencement.

Pursuant to the terms of the agreement, the Company provided the NHAI with a performance guarantee for the completion of the works. The performance guarantee will be returned one year after the end of the defects liability period. The defects liability period under the agreement is one year after completion of the works. The Company is also subject to liquidated damages for delays in completing the work. Liquidated damages are capped at 10.0% of the total contract price.

4. *Dharmatul-Sonapur Road Project, Assam*

On September 1, 2005, the NHAI and the Company entered into an agreement for the widening and strengthening of a highway from a two-lane throughway to a four-lane throughway from Km 230.5 to Km 205.0 of the Dharmatul to Sonapur section of National Highway 37 (NH-37) in Assam. This project was awarded on an item-rate basis. The contract price, based on the estimate of quantities specified in the BOQ schedule is Rs. 1,731.5 million. We commenced work in December 2005 and expect to complete construction by the middle of 2008.

Under the agreement, the Company receives monthly payments for works completed pursuant to a determination of completed works by the project engineer. The agreement does not include a price escalation clause for items included in the BOQ as a result of price variations. However, items that are not included in the BOQ are subject to price adjustment by mutual agreement between the Company and the NHAI. Failure to reach an agreement for such items will permit the project engineer to allocate a price for such items.

The agreement also provides for a mobilisation advance capped at 5.0% of the total contract value. The mobilisation advance must be used within 12 months of the project's commencement.

Pursuant to the terms of the agreement, the Company provided the NHAI with a performance guarantee for the completion of the works. The performance guarantee will be returned one year after the end of the defects liability period. The defects liability period under the agreement is one year after completion of the works. The Company is also subject to liquidated damages for delays in completing the work. Liquidated damages are capped at 10.0% of the total contract price.

5. *Trichy Padalur Link Project, Tamil Nadu*

The Company and Indu Projects Limited ("Indu") entered into a sub-contract agreement (the "Sub-Contract Agreement") on October 20, 2006, for the purpose of widening a 40 Km stretch of a two-lane highway into four lanes from Km 285.0 to Km 325.0 on National Highway 45 (NH-45) in the state of Tamil Nadu and the strengthening of the same. The principal contract to design, construct, develop, finance, operate and maintain the above mentioned section of NH-45 was awarded to the Navayuga-Indu-Abhishek consortium on a BOT basis. The Navayuga-Indu-Abhishek consortium subsequently awarded the road construction component of the project to Indu as an EPC contract which, in turn, sub-contracted road construction other than major and minor bridges, grade separators and rails or bridges to the Company on an item-rate basis. The scheduled completion date is November 2008. The contract price under the Sub-Contract Agreement, based on the estimate of quantities specified in the BOQ schedule, is Rs. 1,900.0 million. The Company is entitled to receive a bonus of Rs. 500,000 per day, limited to a maximum of 2.0% of the total contract price, for early completion prior to the scheduled completion date, at the discretion of Indu. The Company commenced work in November 2006 and the estimated completion date of the project is November 2008.

The Company is subject to liquidated damages under the Sub-Contract Agreement at a rate of Rs. 50,000 per day for delays in achieving contractual milestones and Rs. 5,000,000 per day for each day of delay beyond the scheduled completion date of November 1, 2008, subject to a maximum liability of 10.0% of the value of the Sub-Contract Agreement. The Company remains liable for any major deficiencies within the 12-month period from the project completion date.

6. *Ulunderpet-Padalur Road Project, Tamil Nadu*

On February 2, 2007, IJM (India) Infrastructure Limited ("IJM Infra") sub-contracted pavement and related works to the Company in connection with the four-laning of a stretch of approximately 46 Km of road on the Ulunderpet–Padalur NH- 45 in the state of Tamil Nadu. The sub-contract is on a lump sum basis for Rs. 635.8 million and is required to be completed within 18 months. Under the sub-contract, IJM Infra is required to provide the Company, free of cost, with a specified quantity of diesel fuel, bitumen and certain equipment. The Company is required to supply all plant, tools, materials, services and facilities required in relation to the sub-contract.

The Company will receive monthly payments based on the progress achieved at the site and the prices and rates specified in the BOQ schedule, subject to IJM Infra withholding, among other things, 5.0% of the Company's monthly invoice as retention money. The retention money is released upon the later of the end of the defects liability period and the satisfactory completion of all defective works that have been notified. The defects liability period is 12 months from the date of completion of the works by the Company. The Company is entitled to a mobilisation advance to be agreed mutually, based on an expenditure statement furnished by the Company, which will be recovered by IJM Infra on a *pro rata* basis from monthly invoices submitted by the Company over an 18 month period.

All specifications for the scope of work, general terms and conditions, including payment of liquidated damages at the rates specified in the principal contract between IJM Infra and the NHAI apply to the Company.

Below is a selection of some of our significant completed road and bridge projects over the past four years.

Name and Description of Project	Contract Value(1) (Rs. in millions)	Completion Date(2)
Matkala – Kalmala package – U5 Construction of a two lane bitumen road	358.8	July 26, 2005
Service road to OWK reservoir	22.9	March 25, 2004
Satna Umaria Strengthening and widening of the road	548.6	November 28, 2005
Kalmala – Sindhnur package - U1 Two lane bitumen road	853.4	March 15, 2006
Burhar Amarkantak Strengthening and widening of the road	303.7	May 2, 2005
PMGSY Improvement of the existing road	52.0	February 18, 2004
Tadipatri – Mangapatnam Road Improvement of the existing road	64.8	November 22, 2003
Chikmagalore – Belure M18 Major maintenance of the road	96.2	November 15, 2003
Nandyala – Thimmanayunipeta road work Major maintenance of the road	55.5	March 29, 2003

1. Contract value represents the Company's share of the billed amount under each contract in the case of item-rate contracts and the contract price in the case of lump sum contracts inclusive in each case of an amount, if any, withheld by a client as a performance bond.
2. The completion date is the date specified in the completion certificate issued by the client on which all work was completed. The Company, however, may still be subject to obligations under the contract until such time as the defects liability period has lapsed.

Buildings and Structures

Our services include civil, structural and architectural design and construction. Building projects provide a range of services including civil, structural and architectural design, construction of residential buildings, commercial buildings, independent housing colonies, low cost housing, commercial complexes, factories and other industrial structures. We also undertake construction of storm water drains, underground drains and storage tanks which are supplemental to works we undertake for the residential and commercial buildings.

Our buildings projects consist of a team of skilled technical and engineering personnel to design and construct buildings and industrial structures. Contracts are either on an item-rate or fixed-price lump sum basis.

As of June 30, 2007, we currently have six building projects in different stages of construction underway in the states of Andhra Pradesh and Uttar Pradesh.

1. *Married Accommodation Housing Project, Kanpur*

The Company and RITES Limited ("RITES"), on behalf of India's Ministry of Defence, entered into an agreement on September 30, 2005. Under the terms of this agreement, the Company will procure all required materials and construct a multi storey residential building complex consisting of 11 blocks of 702 units at an air force station in Kanpur in the state of Uttar Pradesh. The agreement was awarded by RITES on an item-rate basis. The contract price, based on the estimate of quantities specified in the BOQ schedule, is Rs. 595.5 million. The agreement does not include a price escalation clause as the rates contained in the BOQ govern the agreement. The Company commenced construction work in October 2005 and the scheduled completion date of the project is in the third quarter of 2007. The Company is seeking an extension in the scheduled completion date to the third quarter of 2008 due to the unavailability in the local market of a sufficient quantity of a particular grade of cement as well as other materials, unavailability of skilled and unskilled labour, and delays caused by weather conditions, strikes, elections, absence of approvals, and work to be performed by other government agencies.

Under the agreement, the client is responsible for all design aspects of the project provided by the project engineer who is appointed by RITES. The client also provided the Company with a mobilisation advance in connection with the project.

The Company has provided an unconditional bank guarantee towards performance of the agreement. The guarantee will be released upon the issue of the termination certificate being issued after the defects liability period ends. The defects liability period begins upon the issuance by the project engineer of a completion certificate and continues for a two-year period. Monthly payments shall be made to the Company based upon a determination by the project engineer of the works completed, less any amounts due and payable to RITES. The Company is subject to liquidated damages for any undue delays in the completion of the project.

2. *Married Accommodation Housing Project, Lucknow*

On March 1, 2006, the Company and the Director General of the Married Accommodation Project, New Delhi ("MAP") entered into an agreement pursuant to which the Company will procure all required materials and construct a multi storey residential building complex consisting of 146 blocks of 714 units at an air force station in Lucknow in the state of Uttar Pradesh. The contract price is Rs. 836.0 million. The contract is a combination of a lump sum contract valued at Rs. 622.0 million and an item-rate contract, based on the estimate of quantities specified in the BOQ schedule, valued at Rs. 214.0 million. We commenced construction work in March 2006 and expect to complete the project in the first quarter of calendar year 2008.

Changes in the scope of work, if any, will be priced at the relevant item-rates specified in a schedule to the agreement plus 10.0% to cover the market variations and the Company's overhead expenses.

The defects liability period runs for a period of 24 months from the date the Government of Uttar Pradesh assumes possession of the project.

The Company has provided MAP with a guarantee towards performance of the agreement. The liquidated damages provision of the agreement requires the Company to pay 0.5% of the contract value for each item, or each group of items, of work for which a separate completion period is established, for every week of delay regardless of the overall completion date of the project. Liquidated damages under the agreement are capped at 10.0% of the overall contract value.

The Company is subject to a liquidated damages provision for 0.5% on the value of the task/item or group of tasks/ items of work for which a separate period or date of completion has been designated.

MAP may terminate the agreement, in part or in whole, at its discretion by providing the Company with written notice of such termination. Any fees associated with the completion of any work-in-progress or site clearing expenses will be paid to the Company. Additionally, the Company is entitled to receive reasonable payment, as determined by the project engineer, for any expenses incurred on account of labour and materials collected but which were unable to be utilised as a result of the termination of the agreement.

3. *Hill County Project, Andhra Pradesh*

This project involves developing an area of 85.9 acres into a self-contained township at Bachupally Village, Qutabullahbur Mandal, Ranga Reddy District, Hyderabad in Andhra Pradesh. The township will include residential villas, bungalows, and multi storey residential apartment blocks; a shopping complex; schools; outdoor and indoor sports facilities; and places of worship.

The Company entered into a contract dated February 4, 2006 with a developer, Maytas Hill County Private Limited, a related party of the Company. Under this agreement, the contract price for construction work is Rs. 4,100.0 million. The Company commenced work in January 2006. The scheduled completion date for this project has been extended to the second half of calendar year 2008. In case of delay in completing construction, liquidated damages are payable. The aggregate amount payable as liquidated damages shall not exceed 5.0% of the total contract value.

Recent Developments

1. *Military Engineering Services at a Naval Academy*

On June 16, 2007, the Company received a letter from the Chief Engineer, Naval Academy, Ezhimala in Kerala accepting the Company's tender for the development of a hospital, nursing block, logistics complex, MT lines, maintenance office and commandant's house at the Naval Academy in Ezhimala. The contract is valued at Rs. 419.8 million.

2. *Reliance Engineering Associates Private Limited – Civil & Structural works for construction of Compressor Stations.*

On March 23, 2007 the Company entered into four work orders with Reliance Engineering Associates Private Limited, for civil and structural works for construction of Compressor Station of East West pipe line projects. The work is to be completed by the end of the third quarter of calendar year 2008. The aggregate value (less applicable taxes) for all four work orders is Rs. 383.3 million.

Singapore Class Township is one of our significant completed building and structure projects over the past three years. Certain relevant details of the project are mentioned below:

Name and Description of Project	Location	Contract Value[(1)] (Rs. in millions)	Completion Date[(2)]
Singapore Class Township with a total built-up area of 2,779,636 Sq.Ft.	Pocharam, Warangal Highway, Hyderabad	811.5	March 10, 2005

1. Contract value represents the Company's share of the billed amount under each contract in the case of item-rate contracts and the contract price in the case of lump sum contracts inclusive in each case of an amount, if any, withheld by a client as a performance bond.
2. The completion date is the date specified in the completion certificate issued by the client on which all work was completed. The Company, however, may still be subject to obligations under the contract until such time as the defects liability period has lapsed.

Power

We began operations in the power sector in 2006. Our services include civil construction of transmission lines, high voltage distribution systems and sub-stations, industrial electrification and power evacuation in power plants. As of June 30, 2007, we currently have 18 civil construction projects in the power sector in different stages of construction underway in the states of Andhra Pradesh, Karnataka, Madhya Pradesh and Uttar Pradesh.

1. *Electrification Power Project to Rural Households, Madhya Pradesh*

On October 27, 2006, the Company entered into five agreements for the construction of high voltage transmission lines, distribution sub-stations and the installation of electric service lines to households that are below the poverty line, in various blocks in the Chhindwara District of the state of Madhya Pradesh. Construction work under these agreements is part of the GoI's policy of providing electrification to all villages across India by 2010 and access of power to all households by 2012. The contract is on an item-rate turn-key basis which broadly includes the supply, transportation to work site, storage, insurance, erection, assembly, testing and commissioning of transmission lines and equipment. Under the terms of each agreement, the Company is permitted to increase or decrease the quantities of items under the contract but is not permitted to change the unit price. The agreements also include a price escalation clause for all aluminium alloy conductors and distribution transformers. The aggregate contract price for the five agreements, based on the estimate of quantities specified in the BOQ schedule, is Rs. 729.78 million. The Company commenced construction work in October 2006 and the scheduled completion date is April 26, 2008.

On October 19, 2006, the Company entered into a similar agreement for a contract price, based on the estimate of quantities specified in the BOQ schedule, of Rs. 166.56 million for the construction of high voltage transmission lines, distribution sub-stations and the installation of electric service lines to below poverty line households in various blocks of the Seoni District of the state of Madhya Pradesh. The Company commenced construction work in October 2006 and the scheduled completion date is April 18, 2008. Under these agreements, the Company is liable for liquidated damages for failure to achieve timely completion of the projects. The total liquidated damages liability under the provision is capped at 5.0% of the total value of the agreement.

Under each agreement, the Company provided the client with a performance guarantee.

2. *33KV Single Circuit Power Lines*

On September 4, 2006, the Company and Deepak Cables (India) Limited ("Deepak Cables") entered into an agreement for the installation of additional intermediate electricity poles and the 're-conductoring' of cable transmission wire in the existing 33 KV single circuit power lines in the Yadgir Division in the Gulbarga and Bidar Districts in the state of Karnataka. The contract is on a turn-key and item-rate basis. The Company commenced construction work in October 2006 and expects to complete construction in the third quarter of calendar year 2007. The total period of completion is four months from the date of signing the contract agreement between Deepak Cables and the Gulbarga Electricity Supply Company Limited ("GESCOM"). For each project segment, GESCOM has placed a purchase order, dated October 7, 2006, with Deepak Cables. The aggregate contract price for all five project segments, based on the estimate of quantities specified in the BOQ schedule, is Rs. 643.63 million. Under the sub-contract, the Company is subject to a liquidated damages provision. If Deepak Cables is required to pay liquidated damages under the main sub-contract, due to delays attributable to the Company, then the Company is liable for such damages. Additionally, the Company is liable for any losses or claims by sub-contractors employed by the Company to complete the project that are not attributable to Deepak Cables.

3. *16/25 KVA 3-ph Distribution Transformers ("DTRs") in Nizamabad Division, Andhra Pradesh*

On November 15, 2006 Manchukonda Prakasam & Co. issued a letter of intent to the Company for the conversion of a low voltage distribution system into a high voltage distribution system utilising the same power lines in Nizamabad District in the state of Andhra Pradesh. The Company was awarded the contract valued at Rs. 142.41 million on a turn-key EPC basis. The Company expects to commence construction work in the second quarter of calendar year 2007 and expects to complete construction in November 2007.

4. *Karnataka Power Project*

In June and July 2007, the Karnataka Power Transmission Corporation Limited ("KPTCL") and the Company entered into four contracts, each contract comprising a civil earthworks, supply of materials, and erection component related to the construction of substations, terminal bays, and transmission lines at different sites in Karnataka. The aggregate contract price for all four contracts is Rs. 667.6 million. The Company is the only counter-party to each contract with the KPTCL even though the bids for each contract were awarded to the Company and one or both its consortium partners. The contracts are to be completed on either a partial or total turn-key basis. The construction of sub-stations and installation of the transmission lines are to be completed within seven months and six months respectively from the date of each letter of award.

5. *Sorang Hydro Electric Project, Himachal Pradesh*

Overview

The Company, Nagarjuna Construction Company and SSJV Projects Private Limited entered into a Consortium Agreement dated May 24, 2007. The unincorporated joint venture entity is named "Maytas-NCC-SSJV Consortium". The purpose of the joint venture is to construct civil works and hydro-mechanical works and other allied works for the 100 MW hydro electric project at Sorang in the state of Himachal Pradesh. As of March 31, 2007, the participation interest in the joint venture by the Company, Nagarjuna Construction Company, and SSJV is one-third each. Maytas is designated as the 'lead partner' with authority to receive instructions, act, and incur liabilities on behalf of the joint venture. Each party has the right to appoint two representatives to the management committee of the Maytas-NCC-SSJV Consortium. The joint venture agreement provides for joint and several liability of the parties. Any assignment of the rights and/or liabilities under the joint venture agreement is subject to the prior written consent of all other parties.

Maytas-NCC-SSJV Consortium EPC Agreement

On June 5, 2007, the Maytas-NCC-SSJV Consortium entered into an engineering, procurement and construction contract with Himachal Sorang Power for the construction of the civil and hydro-mechanical works. This contract was awarded on an item-rate basis. The contract price, based on the estimate of quantities specified in the BOQ schedule, is Rs. 1,840 million. The contract includes a price escalation clause. However, rates for changes in quantities cannot be increased without approval from Himachal Sorang Power, if the contract price increases by more than 15.0%.

Maytas-NCC-SSJV Consortium is required to submit monthly invoices for work completed. The payment received by Maytas-NCC-SSJV shall consist of the value of the quantities of the items in the BOQ completed adjusted for deductions for advance payments, retention amounts, taxes and other amounts. The aggregate retention amount is capped to 5.0% of the final contract price. On completion of the project, half the total amount retained is repaid to Maytas-NCC-SSJV and the remaining half is paid after the end of the defects liability period. The defects liability period is 365 days following the date of the completion certificate.

Under the contract, Maytas-NCC-SSJV Consortium is responsible for all aspects of the project and related costs, including obtaining the required permits and approvals, securing the supply of utilities, design and engineering, and the preparation of land schedules. The contract provides that project completion is required to be achieved 36 months from the date of the notice to commence work. The contract also provides interim periodic milestones. The completion date may be extended if certain specified events, which are generally not within the control of the Maytas-NCC-SSJV Consortium, occur such as ground conditions being substantially more adverse than could reasonably have been assumed from information issued to bidders or inspection of the site.

The contract provides for liquidated damages for unapproved delays and failure to meet the completion and interim periodic milestones. Total liquidated damages payable for delays in meeting milestones is capped at 10.0% of the overall contract value. If progress falls short by more than 20% of the cumulative program and/or in the event three consecutive milestones are not achieved and the delay is detrimental to the project work, Himachal Sorang Power has additional remedies including rescission of the contract.

The contract can also be terminated for one or more specified fundamental breaches and also terminated at convenience by Himachal Sorang Power. If the contract is terminated due to a fundamental breach by Maytas-NCC-SSJV, Maytas-NCC-SSJV is entitled receive payment equal to the value of work done less deductions including for advance payments, taxes, and an amount to cover the additional cost to Himachal Sorang Power to complete the project. If the contract is terminated at Himachal Sorang Power's convenience or because of a fundamental breach of contract by Himachal Sorang Power, Maytas-NCC-SSJV Consortium is entitled to recover, among other things, the value of work completed, reasonable cost of removal of equipment, and employee repatriation costs.

Maytas-NCC-SSJV Consortium performance can be excused if the contract is frustrated due to the outbreak of war or any other event entirely outside the control of either Himachal Sorang Power or Maytas-NCC-SSJV.

Under the contract, Himachal Sorang Power is required to make an advance payment to Maytas-NCC-SSJV Consortium against the provision by Maytas-NCC-SSJV Consortium of a bank guarantee equal to the advances. The Maytas-NCC-SSJV Consortium is only permitted to use the advance payments to pay for equipment, plant and mobilization expenses.

Oil & Gas Infrastructure

1. *Paradip Refinery Project, Orissa*

On December 29, 2006, the Company and the Indian Oil Corporation Limited ("IOCL") entered into an agreement for engineering and construction of civil infrastructure including boundary walls, roads, water and drainage systems and sewage treatment plants for the Paradip refinery township in the state of Orissa. The Company was awarded the contract by IOCL on an item-rate basis for a contract price, based on the estimate of quantities specified in the BOQ schedule, of Rs. 371.69 million. The Company commenced construction work in November 2006 and expects to complete construction by February 2008.

Pursuant to the agreement, the Company provided IOCL with a performance guarantee of 10.0% of the total estimated contract value/are subject to a security deposit withholding totalling 10.0% of the total contract value, such amount to be deducted from the monthly payments to be received by the Company. Additionally, the agreement provides for a mobilisation advance to begin the construction process, capped at 10.0% of the total contract price.

Under the agreement, for a change in scope or change in the works to be executed, the rates for such additional work will be derived from corresponding rates under the BOQ or, alternatively, determined at the discretion of the project engineer. Although the Company is not subject to a liquidated damages provision under the agreement, IOCL may be entitled to a discount of the total contract value for undue delay. The defects liability period runs for 12 months following the issuance of the completion certificate by the project engineer and the Company must indemnify IOCL for any third party claims or damages in relation to the works contemplated by the agreement.

Under the agreement, IOCL may terminate the contract at will.

Recent Developments

1. *Pipe-Laying Ocean-Going Barge*

In March 2007, our subsidiary, AP Prakash Shipping, entered into a contract with Pacific Ocean Engineering & Trading Pte Ltd. for the construction of a pipe-laying ocean-going barge. The contract price was US$45.5 million, subject to adjustments with delivery expected to be in July 2008. We intended to use the barge for pipe-laying opportunities in the oil and gas sector in waters stretching from the Indian sub-continent to Indonesia. On May 24, 2007, we transferred all of our interest in AP Prakash Shipping to a third party, as a result of which, we exited from this venture.

2. *Bhadbhut-Jamnagar pipeline*

On April 10, 2007, Gujarat State Petronet Limited notified the joint venture, known as "Maytas–Naftogasbud (J.V.)", that it had been awarded the EPC contract in relation to the Bhadbhut-Jamnagar pipeline project (Package II) for the Rajkot to Jamnagar section, located in Gujarat. The joint venture is an unincorporated joint venture, between the Company and Naftogasbud, a Ukrainian company. The Company and Naftogasbud entered into a consortium agreement on December 14, 2006. The Company is designated as the 'Lead Partner' responsible for the execution of the works, making and receiving payments and incurring liabilities on behalf of Maytas–Naftogasbud (J.V.) and receiving instructions for and on behalf of both parties. Under the consortium agreement, the parties are jointly and severally liable for the performance of the contract. The contract is a lump sum contract for Rs. 3,030.9 million. The letter of acceptance requires all work to be completed and commercial operation to be achieved by the end of the second quarter of 2008. Maytas–Naftogasbud (J.V.) signed an EPC contract on May 10, 2007. Maytas–Naftogasbud (J.V.) is also required to provide certain guarantees including a guarantee of 5% of the contract value in connection with purchase orders for pipes, valves and certain other materials required for the project.

Railways

1. *North East Frontier Railways, Tunnel Nos. 8, 9, 11 and 12*

The GoI, through the Railway Administration (North East Frontier Railway) (the "Railway"), awarded the Company the right to construct a single line, underground tunnel, and to undertake the related earthwork in the filling and cutting of the tunnel, construction of a minor bridge, side drains and other protection works for the tunnel. The construction work is required to be undertaken between the Mahur-Migrendisa stations (Tunnel No. 8), the Migrendisa-New Haflong stations (Tunnel No. 9), the New Haflong-Jatingalumpur stations, including both approaches (Tunnel No. 11), and the New Haflong-Harangajao stations, including both approaches (Tunnel No. 12). The completed tunnels shall span a total length of 2.60 Km. The Company is responsible for construction work as well as the procurement of the required materials. The design details, however, have been provided by the Railway and are subject to alteration.

On September 29, 2005, the Railway and the Company entered into three separate item-rate contracts for the various segments of the tunnel (collectively, the "Railway Agreements"). Under the Railway Agreements, construction is scheduled to be completed in the third quarter of calendar year 2007. To ensure the performance of the project, the Company provided the Railway with a performance guarantee in the form of an irrevocable bank guarantee.

After completion of the underground tunnel, the Company remains liable for the maintenance of all aspects of the underground tunnel for a period of six months from the certified date of completion including one monsoon season. The Company is responsible for remedying any defects, as determined by the project engineer, during the defects liability period. In the event that it fails to remedy such defects within seven days of receipt of notice of such defects, the project engineer may arrange to remedy such defects at the Company's risk and expense.

For a change in scope of work, the rates for such additional works will be fixed by mutual agreement between the parties based upon corresponding or similar items of work available on the existing schedule of work.

The Railway Agreements include an escalation clause for price increases in raw materials. Elements that are considered in the escalation clause include raw material wholesale prices for both iron and steel, fuel costs, labour costs and the severity of related price fluctuation.

2. *Vedanta Alumina Limited*

On May 29, 2007, the Company received a letter of intent from Vedanta Alumina Limited in connection with, among other things, the design, engineering and construction of a railway siding and linkage from Ambodala Railway Station to Alumina Plant including intra-plant network, railway staff quarters and other railway buildings, roads and drains in connection with the Lanjigarh Alumina project in Orissa on a turnkey basis. The Company is also responsible for obtaining all approvals from the relevant authorities. The contract is a lump-sum contract for Rs. 1,030 million subject to adjustment. Vedanta Alumina will, however, deliver certain quantities of materials itemized in a BOQ schedule as well as steel rail in excess of a specified quantity. The Company is responsible at its cost for the supply of a specified quantity of steel rail and all materials not itemized in, and additional materials in excess of the quantities itemized in, the BOQ schedule. The letter of acceptance requires all work to be completed by the end of the third quarter of 2008. Payment terms include advances and. in the case of construction work, monthly progress payments against submission of an invoice. The final payment will be made on commissioning of the project. The Company is required to provide a bank guarantee as security against any advances as well as post a performance bond equal to 10% of the contract price which will be returned to the Company at the end of the 12 months defects liability period. The letter of intent also includes a liquidated damages provision of 1% of the total contract price per week of delay, subject to a maximum ceiling of 10% of the total contract price.

Our Infrastructure Development Business

Our infrastructure development business involves "BOO", "BOT" and "BOOT" projects which are typically characterised by four distinct phases:

- Build – the developer contracts with a government entity for the construction of an infrastructure project. The developer also secures financing to construct the project.
- Own – the developer is the owner of the asset during the agreed concession period.
- Operate – the developer maintains and manages the project for an agreed concession period and earns revenues through charges, fees, tolls or annuity.
- Transfer – after the expiration of the concession period the developer transfers ownership of the asset to the government entity.

We broadly classify our infrastructure development projects as:

- '***operational***', if the engineering, procurement and construction phase has been completed or substantially completed, a completion certificate has been issued, and the project company is earning, or in the future will earn, revenue from operations pursuant to the terms of a concession agreement or power purchase agreement. The Bangalore-Maddur road project in the state of Karnataka, is the only project currently in the operational phase.
- '***under construction***', if financial closure has been achieved and services in connection with engineering, erection, installation, construction, commissioning, start-up, demonstration and testing, and training of personnel in the operation and maintenance of the project are in progress. We refer to "financial closure" as the first date on which the financing documents providing for funding by the banks have become effective, all conditions precedent to the initial availability of funds under the financing documents are satisfied to the extent they have not been waived, and funds can be drawn down under the financing documents. We currently have four projects in the construction phase:
  1. The Gautami Power project in the state of Andhra Pradesh;
  2. The Meerut-Muzaffarnagar road project in the state of Uttar Pradesh;
  3. The Bangalore Elevated Tollway project in the state of Karnataka; and
  4. Himachal Sorang Power project in the state of Himachal Pradesh.
- '***under development***', if the principal project agreements (such as a concession agreement, power purchase agreement or EPC contracts) have been entered into, financial closure has not occurred but is expected to be achieved in the near future. Our efforts during this phase are primarily focused on signing key documents (such as concession agreements, power purchase agreements), appointing independent consultants, and in certain instances, signing a shareholders' agreement with consortium partners. We currently have two projects under development:
  1. KVK Nilachal Power project in the state of Orissa; and
  2. SV Power project in the state of Chhattisgarh.
- '***under award***', if we have received a letter of intent from a government entity awarding the project to us (or the consortium), or, where we have signed a memorandum of understanding. During the award phase we have not reached financial closure nor have key project documents (such as a concession agreement, power purchase agreement, EPC contracts, or fuel supply agreements) been signed or permits, licences, clearances or approvals been obtained from the relevant government authorities. Our efforts during this phase are primarily focused on matters similar to those under the development phase except that they are at an earlier stage and, in addition, also include signing key project documents, appointing independent consultants, and, in certain instances, signing a shareholders' agreement with consortium partners. The project company may or may not have been established at this stage. We currently have five projects in the award phase:
  1. The Machilipatnam Port project in the state of Andhra Pradesh;
  2. A power project in south India;

3. The Pondicherry –Tindivanam Tollway;

4. The outer ring road AP II project in Andhra Pradesh; and

5. The outer ring road AP IV project in Andhra Pradesh.

Although we do not have a controlling interest in any of our current infrastructure development projects, we are actively involved in certain aspects of the development of these projects such as bidding, identifying suitable consortium partners, securing financing and project management.

Roads

As of the date of this Red Herring Prospectus, the Company through its equity interest in Associates has completed construction of one annuity road project and is currently constructing two tollway road projects with a further two projects under award. The annuity project is the Bangalore – Maddur road project which has commenced commercial operation. The two tollway projects under construction are the Meerut – Muzaffarnagar road project in Uttar Pradesh and the Bangalore Elevated Tollway road project in Karnataka. The following table summarises certain key features of the Bangalore – Maddur road project and the two road projects in the construction phase.

	Bangalore-Maddur Road Project, Karnataka	**Meerut-Muzaffarnagar Road Project, Uttar Pradesh**	**Bangalore Elevated Tollway Road Project, Karnataka**
Status[(1)]	Commercial operation has commenced	Construction phase.Commercial operation is expected to commence in the second quarter of calendar year 2009	Construction phase.Commercial operation is expected to commence in the third quarter of calendar year 2008
Type of Project	Annuity Annuity payment is Rs. 297.0 million payable semi-annually for the 8 year operation period	Tollway	Tollway
Name of Project Company	Brindavan Infrastructure Limited	Western UP Tollway Limited	Bangalore Elevated Tollway Limited
Description of Project	Concession awarded in November 2003Strengthening different sections of a two-lane road and widening the same into a four-lane divided highway stretching a combined 62.6 Km of the Bangalore to Maddur section of the Bangalore-Mysore State Highway 17 (SH-17) in the the state of Karnataka	Concession awarded in March 2005Improving, rehabilitating 2005Improving, rehabilitating maintaining, and tolling of a two-lane road and widening the same into a four-lane divided highway stretching 79 Km of the Meerut to Muzaffarnagar section of National Highway 59 (NH-59) in the state of Uttar Pradesh	Concession awarded in November 2005Construction of a four-lane elevated highway stretching 9.25 Km, improvement of a section of road stretching approximately 10 Km and widening a 14.4 Km stretch of road into a six-lane divided highway stretching along the Bangalore-Hosur section of National Highway 7 (NH-7) in the state of Karnataka
Participation Interest as of March 31, 2007	33.3%	30.0%	33.0%
Key terms of the Concession	10 years commencing April 22, 2004 and ending April 21, 2014, of which the initial 2 years was for construction and the remaining 8 years is for operation	20 years commencing March 9, 2006 and ending March 9, 2026 of which the Company and the other EPC contractors have 3 years to complete construction, leaving the remaining 17 years for operation	20 years commencing July 25, 2006 and ending July 25, 2026 of which the Company and the other EPC contractors have 2 years to complete construction, leaving the remaining 18 years for operation
Bonuses and Penalties	Brindavan Infrastructure is seeking an early completion bonus	Western UP Tollway is entitled to an early completion bonus but is subject to penalties for late delivery	Bangalore Elevated Tollway is entitled to an early completion bonus but is subject to penalties for late delivery
Project Cost	Rs. 2,475.0 million (actual cost incurred)	Rs. 5,350.0 million (estimated cost)	Rs. 7,757.2 million (estimated cost)

	Bangalore-Maddur Road Project, Karnataka	Meerut-Muzaffarnagar Road Project, Uttar Pradesh	Bangalore Elevated Tollway Road Project, Karnataka
Debt-to-Equity Ratio[(2)]	4.56:1[(3)]	2.57:1[(4)]	3.41:1
Participation Interest Investment as of March 31, 2007	Rs. 150.00 million	Rs. 231.22 million[(5)]	Rs. 298.29 million[(5)]
Equity Invested as a Percentage of Total Equity as of March 31, 2007	100%[(3)]	51.4%[(4)]	51.4%[(4)]

1. The expected commercial operations date for the Meerut-Muzaffarnagar road project and the Bangalore-Hosur road project is based on the time limits set under the relevant concession agreement for achieving project completion.
2. Debt to equity ratio is the ratio of project cost to equity invested as of March 31, 2007. The Bangalore-Maddur road project is based on actual project cost. For the Meerut-Muzaffarnagar road project and the Bangalore-Hosur road project, the debt to equity ratio is based on the estimated project cost.
3. Equity includes preference shares.
4. Equity includes grant from the NHAI. Although eligible for the NHAI grant, Western UP Tollway had not drawn down the NHAI grant as of March 31, 2007. Debt to equity ratio assumes that this draw down had occurred.
5. Amount includes share application money for shares that have not been allotted.

We describe these projects and summarise the principal agreements associated with these projects below.

1. *Bangalore-Maddur Road Project, Karnataka*

This project was completed on schedule and the joint venture project company received its full first annuity payment of approximately Rs. 297.0 million covering the period April 22, 2006 to October 21, 2006 from the Karnataka Road Development Corporation ("KRDC").

Overview

This project involved upgrading a section stretching a combined 62.2 Km of the two-lane Bangalore to Maddur section of the Bangalore-Mysore State Highway 17 (SH-17) in the state of Karnataka to a four-lane wide highway. As part of the road works, the civil construction included the construction of bridges, rail over bridges, major junctions, pedestrian over bridges, and drains and culverts. The project was completed on a BOT basis with a 10-year concession period on an annuity basis. After the expiration of the 10-year concession period, the road project reverts to the Government of Karnataka. The project is part of the Government of Karnataka's plans to upgrade and expand the transport network in Karnataka through the encouragement of private sector participation in the development of infrastructure in Karnataka. The actual cost incurred to complete construction of this project is Rs. 2,475.0 million. Brindavan Infrastructure has appointed our joint venture partners as the operators of this project.

The project is financed by a combination of debt and equity. The debt to equity (including preference shares) ratio is 4.56:1. Brindavan Infrastructure Company is the special purpose vehicle established by the Company and the other consortium members for developing the project. As of March 31, 2007, the Company had a 33.3% participation interest in Brindavan Infrastructure. For a description of the terms of the shareholder agreement governing the rights and obligations of the co-sponsors of Brindavan Infrastructure Company, see the section "History and Certain Corporate Matters — Shareholders' Agreements — 1. Shareholders' Agreement among NCC, KMC Constructions Limited and Maytas Infra" beginning on page 137 of this Red Herring Prospectus.

Under the concession agreement, Brindavan Infrastructure covenanted that it will ensure that the sponsors hold not less than 51.0% of the paid-up equity capital of Brindavan Infrastructure until three years after the commercial operations date and not less than 26.0% of its paid-up equity capital during the remaining concession period.

Concession Agreement among the Public Works Department, the Government of Karnataka, KRDC, and Brindavan Infrastructure

Brindavan Infrastructure entered into a concession agreement with the Public Works Department, Government of Karnataka and KRDC (together, the "Concessioning Authority") on January 22, 2004 (the "BICL Concession Agreement"). Under the BICL Concession Agreement, the Concessioning Authority granted Brindavan Infrastructure a concession for a period of 10 years. The time taken to construct the project and operate and maintain the project facilities is included in the concession period. The concession entitles Brindavan Infrastructure:

- at its cost and expense, to undertake the design, engineering, procurement, construction, and financing of, the highway project. Brindavan Infrastructure, either by itself, or through one or more contractor possessing the requisite technical, financial and managerial expertise/capability may undertake the construction work but Brindavan Infrastructure is solely responsible for meeting the construction requirements of the project; and
- at its cost and expense, to operate and maintain, the highway project, either by itself, or through one or more contractors.

At the end of the concession period, the project reverts to the state of Karnataka which takes possession and control of the road project.

Brindavan Infrastructure provided a performance guarantee of Rs. 94.0 million for due and timely performance of its obligations. The performance guarantee shall remain in place for 12 months following the commercial operations date.

Annuity: The Karnataka Public Works Department pays Brindavan Infrastructure a semi-annual annuity payment of Rs. 297.0 million until April 2014. The annuity payment is subject to adjustment if the road project is not available for use during the operation period. Non-availability is determined by taking into account the length of road that is not available and the number of hours and days for which the non-availability continues. Although the Karnataka Public Works Department has not yet opened an irrevocable letter of credit for an amount equal to the semi-annual annuity payment as required under the terms of the BICL Concession Agreement, it is expected to do so shortly.

Levy of User Fee: The Karnataka Public Works Department or any other Karnataka government agency is entitled to levy on and collect from users of the road project a fee as may be approved by the Karnataka Public Works Department. Any arrangement or contract made or entered into in connection with the levy and collection of the user fee will be independent of the BICL Concession Agreement. Brindavan Infrastructure is not entitled to levy, demand or collect any sum in the nature of a toll or user fee, and its project revenue consists only of annuity payments.

Operation & Maintenance: Under the BICL Concession Agreement, maintenance is periodically scheduled and involves routine, emergency and more extensive maintenance. In the event that Brindavan Infrastructure, either by itself or through a contractor, does not maintain the highway project in accordance with the prescribed specifications, the Karnataka Public Works Department is, without prejudice to its rights under the BICL Concession Agreement, including termination, entitled to undertake the repair and maintenance of the highway project at the risk and cost of Brindavan Infrastructure. If the Karnataka Public Works Department undertakes the work, Brindavan Infrastructure is required to reimburse the Karnataka Public Works Department 150.0% of the cost incurred on such repair and maintenance.

Termination: During the commercial operation of the road project, if the BICL Concession Agreement is terminated, including because of an event of default by Brindavan Infrastructure or the occurrence of certain *force majeure* events, Brindavan Infrastructure is entitled to receive a termination payment from the Karnataka Public Works Department. The termination payment is determined by taking into account book value of Brindavan Infrastructure, debt due and outstanding to the lenders that financed construction of the project, and the extent to which proceeds have been recovered from insurance claims. In the absence of an event of default by Brindavan Infrastructure, the Karnataka Public Works Department will release the performance guarantee, subject, however, to any amounts owed to it by Brindavan Infrastructure.

Upon termination of the BICL Concession Agreement for any reason, the Concessioning Authority shall take control and possession of the highway project through KRDC. The BICL Concession Agreement can also be terminated at will by KRDC.

Engineering, Procurement and Construction Arrangements

Brindavan Infrastructure entered into two lump - sum EPC contracts, one with Nagurjuna Construction Company Limited, and the other with KMC Constructions Limited, each dated January 30, 2004 for a consideration of Rs. 1,113.3 million and Rs. 1,033.2 million, respectively. Under the EPC contract, Nagurjuna Construction Company and KMC Construction Limited were responsible for the operation and maintenance of the existing roads throughout the construction period from the commencement date to the commercial operations date.

2. *Meerut-Muzaffarnagar Road Project, Uttar Pradesh*

Overview

This project involves improving, rehabilitating and strengthening, operating and maintaining, and tolling of a two-lane road and widening the same into a four-lane divided highway stretching 79 Km of the Meerut to Muzaffarnagar section of National Highway 59 (NH-59) in the state of Uttar Pradesh. The civil construction work includes construction of major and minor bridges, rail over bridges, major junctions, pedestrian over bridges, and drains and culverts. The project is on a BOT basis with a 20-year concession period. At the end of the concession period, the road project reverts to the NHAI which takes possession and control of the highway project. The project is part of the National Highway Development Program Phase III being undertaken by the NHAI, the concession authority for the project.

The estimated cost of the project is Rs. 5,350.0 million of which Rs. 267.4 million has been spent as of March 31, 2007. Construction of the project commenced in September 2006 and is expected to be completed in the second quarter of calendar year 2009 and will immediately be followed by the commencement of the operating, maintaining and tolling phases.

The project is being financed by a combination of debt and equity as well as a grant from the NHAI aggregating approximately Rs. 1,278.0 million. The debt-to-equity ratio (inclusive of the NHAI grant) is 2.57:1.

Western UP Tollway is the special purpose vehicle established by the Company and the other consortium members for developing the project. As of March 31, 2007, the Company has a 30.0% participation interest in Western UP Tollway. For a description of the terms of the shareholders agreement governing the rights and obligations of the co-sponsors of Western UP Tollway, see the section "History and Certain Corporate Matters — Shareholders' Agreements" beginning of page 137 of this Red Herring Prospectus.

Under the concession agreement, Western UP Tollway covenants that it will ensure that the sponsors hold not less than 51.0% of the paid-up equity capital of Western UP Tollway during the construction period and until three years after the commercial operations date and 26.0% of its paid-up capital during the remainder of the concession period.

Concession Agreement between the NHAI and Western UP Tollway

Western UP Tollway entered into a concession agreement with the NHAI on September 9, 2005 (the "WUPTL Concession Agreement"). Under the WUPTL Concession Agreement, the NHAI granted Western UP Tollway a concession for a period of 20 years from March 9, 2006 until March 9, 2026. The concession entitles Western UP Tollway:

- at its cost and expense, to undertake the design, engineering, procurement, construction and financing of, the highway project. As a condition precedent to entering into the WUPTL Concession Agreement, Western UP Tollway, among other things, delivered to the NHAI copies of (i) the EPC contracts pursuant to which Western UP Tollway sub-contracted the design, engineering, procurement of materials and equipment, construction and completion of the highway project to the Company and the other two sponsors and (ii) the financing documents described above; and
- upon completion of the highway project and during the operations periods, at its cost and expense, to manage, operate and maintain the highway and control the use of the highway by third parties; and
- to levy and collect fees from users of the highway project.

The NHAI may require, and Western UP Tollway is obligated to undertake, changes to the scope of work and/or services to be provided by Western UP Tollway provided that such changes do not result in a change in the total project cost exceeding 5.0% and do not adversely affect the commercial operations date.

Western UP Tollway has provided bank guarantees to the NHAI for due performance of its obligations during the construction period. These bank guarantees are required to be kept valid and enforceable until the commercial operations date. The bank guarantee will be released earlier if the sponsors of Western UP Tollway have contributed 100% of their required respective equity contributions and Western UP Tollway has incurred at least 20.0% of the total project cost. The NHAI is entitled to enforce payment under the performance guarantee if there is any default by Western UP Tollway and if such default is not remedied within the prescribed cure period.

Operation and Maintenance: Western UP Tollway, either by itself or through a contractor is responsible for the operation and maintenance of the highway project, and if required, the modification, repair and improvement to the highway project, in accordance with certain specifications, standards and other requirements stipulated under the WUPTL Concession Agreement. Under the WUPTL Concession Agreement, maintenance is periodically scheduled and involves routine, preventive and more extensive maintenance. In the event that Western UP Tollway does not maintain the highway project in accordance with the prescribed specifications, or fails to commence remedial work within 30 days of receipt of notice from the NHAI, the NHAI is, without prejudice to any other rights under the WUPTL Concession Agreement, including termination, entitled to undertake the repair and maintenance of the highway project and recover from Western UP Tollway, in addition to the repair costs, an amount equal to 25.0% of the repair costs. In the event that NHAI does not exercise the right to undertake the repair and maintenance, it is entitled to recover liquidated damages for each day of default at the higher of Rs. 10,000.0 or 0.1% of the cost of such repair as estimated by an independent consultant.

It is expect that the O&M operator of the road will be the Company and the other sponsors.

Levy and Collection of Fees by Western UP Tollway: The concession entitles Western UP Tollway, for the duration of the concession period, to levy and collect fees from users after completion of a continuous stretch of at least 50 Km of the highway project. Fees are fixed for different vehicle types and distance travelled, subject to an annual adjustment for changes in inflation pursuant to the GoI wholesale price index. These fees have been determined by taking into account the cost of building, maintaining, managing and operating the highway project, interest on capital invested, a reasonable return on investment, the volume of traffic and the period of the concession. Government and emergency services vehicles are exempted and fees levied and collected from local traffic are discounted. While Western UP Tollway is solely responsible for the collection of fees, it may delegate its right to collect fees to a tolling contractor.

All fees levied and collected by Western UP Tollway are required to be deposited into an escrow account. The WUPTL Concession Agreement includes a payment waterfall for disbursements from the escrow account in the following order of priority: (1) taxes, (2) EPC contractor expenses, (3) O&M expenses including fee collection expenses and repair work expenses, (4) concession fees and grants payable to the NHAI, (5) debt service, (6) payments and damages due and payable by Western UP Tollway to NHAI under the terms of the agreement, including repayment of revenue shortfall loans, and (7) Western UP Tollway. The order of payment from the escrow account changes if the WUPTL Concession Agreement is terminated.

Revenue Shortfall Loan: If fees levied and collected by Western UP Tollway fall below the sum required to cover O&M expenses and senior debt service as a result of an indirect or political *force majeure* event, the NHAI has agreed to provide Western UP Tollway with an interest bearing loan to cover such amounts. This loan is repayable when the project has positive cash flow (that is, revenue less tax payments, O&M expenses, concession fee, NHAI grant, if any, and debt service payments to senior lenders) and, in no event, later than two years prior to the expiry of the concession period.

Additional Tollway: The NHAI, the GoI or the Government of Uttar Pradesh may construct and operate either by itself or have the same built and operated, an expressway or toll road (but excluding a bypass) on a BOT basis over the same section (Km 52.3 to Km 131.0) between Meerut and Muzaffarnagar as the highway project, provided the additional tollway is not opened to traffic before expiry of the eight years from March 9, 2006. If an additional tollway is commissioned any time after eight years, then the concession period is increased by half the number of years still remaining under the original concession period measured from the commissioning date of the additional tollway.

Tollway Capacity Augmentation: After eight years following the commercial operations date, the NHAI may increase the capacity of the project by two additional lanes. For this purpose, the NHAI shall invite proposals from various bidders, including Western UP Tollway. In case Western UP Tollway participates in the bidding process and it does not make the lowest bid, it has a right to match the preferred offer price. In the event that Western UP Tollway declines to submit a bid or is not the preferred bidder, and consequently fails or declines to match the preferred offer price, NHAI is entitled to terminate the WUPTL Concession Agreement with Western UP Tollway upon payment of the termination payment. The termination payment is calculated based on amounts outstanding under the senior debt and subordinated debt as well as amounts invested in Western UP Tollway as equity by each of the Western UP Tollway sponsors.

Commercial Operations Date: Western UP Tollway has undertaken to complete the highway project not later than 36 months from March 9, 2006. The project is deemed to be complete and open to traffic only when a completion certificate or provisional certificate is issued by an independent consultant certifying that the highway project has passed all applicable tests, tender specifications and requirements, and all parts of the road can safely and reliably be opened for commercial operation.

If Western UP Tollway does not meet the periodic milestones within a period of 90 days, it is required to pay liquidated damages at the rate of Rs. 1,000,000 per day until such milestone is achieved. If the highway project is not completed by the scheduled project completion date for reasons other than *force majeure* events or for reasons attributable to the NHAI or any governmental agency, Western UP Tollway is required to pay weekly liquidated damages at the rate of 0.01% of the total project cost per week. If the commercial operations date does not occur within 12 months of the scheduled project completion date, the NHAI is entitled to terminate the WUPTL Concession Agreement.

Termination: If the WUPTL Concession Agreement is terminated during the operations period (but not during the construction period) either because of a Western UP Tollway or an NHAI event of default, the NHAI is required to pay Western UP Tollway a termination payment. This termination payment is determined taking into account debt due and outstanding to the lenders that financed construction of the project and the extent to which proceeds have been recovered from insurance claims. A termination payment may also be payable by the NHAI if a *force majeure* event, either before or after the commercial operations date, continues for a period of 180 days or more within a continuous period of 365 days. Upon termination of the WUPTL Concession Agreement for any reason, the NHAI shall take control and possession of the highway project.

Engineering Procurement and Construction Arrangements.

Western UP Tollway contracted the engineering, procurement, and construction of the road project to each of the sponsors. For details, see "— Our Construction Business ¯ Roads & Bridges ¯ 1. Meerut-Muzaffarnagar Road Project, Uttar Pradesh" beginning on page 70 of this Red Herring Prospectus.

State Support Agreement between Western UP Tollway, the NHAI and the Government of Uttar Pradesh.

Western UP Tollway (and NHAI) entered into a State Support Agreement with the Government of Uttar Pradesh on November 29, 2006 (the "State Support Agreement"). Under the State Support Agreement, the Government of Uttar Pradesh agreed to provide continued support and grant certain rights to Western UP Tollway in order to facilitate the implementation and operation of the highway project, including provision of infrastructure facilities and utilities, all applicable permissions, police assistance in the form of dedicated highway patrols and to generally support the project's implementation. Similar to the WUPTL Concession Agreement, the Government of Uttar Pradesh is permitted under the State Support Agreement to construct and operate either by itself or otherwise, an expressway or toll road (but excluding a bypass), provided that the additional tollway is not opened to traffic before expiry of eight years from March 9, 2006. Unlike the WUPTL Concession Agreement, Government of Uttar Pradesh is permitted to build an additional tollway earlier than eight years, if the volume of traffic on the highway project exceeds 80,000 vehicles per day.

3. *Bangalore Elevated Tollway Project, Karnataka*

Overview

This project involves the construction of a four-lane elevated highway stretching 9.25 Km, improvement of a section of road stretching approximately 10.0 Km (including construction of six underpasses), and widening a 14.4 Km stretch of road into a six-lane divided highway stretching along the Bangalore-Hosur section of National Highway 7 (NH-7), from Silk Board Junction to Electronic City Junction in the state of Karnataka. The project is on a BOT basis with a 20-year concession period. The concession period includes the construction period of 24 months. At the end of the concession period, the road project reverts to the NHAI, which takes possession and control of the highway project.

The estimated cost of the project as Rs. 7,757.2 million of which Rs. 2,196.6 million had been spent as of March 31, 2007. Construction of the project commenced in October 2006 and is expected to be completed in the third quarter of calendar year 2008 and will immediately be followed by the commencement of the operating and maintaining and tolling phases.

The project is being financed by a combination of debt and equity as well as a grant from NHAI. The debt-to-equity is 3.41:1.

Bangalore Elevated Tollway is the special purpose vehicle established by the Company and the other consortium members for developing the project. As of March 31, 2007, the Company has a 33.0% participation interest of in Bangalore Elevated Tollway. For a description of the terms of the shareholders agreement governing the rights and obligations of the co-sponsors of Bangalore Elevated Tollway, see the section “History and Certain Corporate Matters — Shareholders’ Agreements” beginning on page 137 of this Red Herring Prospectus.

Concession Agreement between the NHAI and BETL

Bangalore Elevated Tollway entered into a concession agreement with NHAI on January 25, 2006 (the “BETL Concession Agreement”). Under the BETL Concession Agreement, NHAI granted Bangalore Elevated Tollway a concession for a period of 20 years from July 25, 2006 until July 25, 2026. The terms of the BETL Concession Agreement are broadly similar to those described above under the WUPTL Concession Agreement except that it does not include tollway capacity augmentation provisions.

Pursuant to the BETL Concession Agreement, Bangalore Elevated Tollway shall furnish a bank guarantee as security for due performance of its obligations during the construction period. The bank guarantee will be released earlier if the sponsors of Bangalore Elevated Tollway have contributed 100% of their required respective equity contributions and Bangalore Elevated Tollway has incurred at least 20.0% of the total project cost. The BETL Concession Agreement also requires that Bangalore Elevated Tollway make a cash payment to the NHAI of Rs. 160.0 million on the date of financial closure.

Under the terms of the BETL Concession Agreement, Bangalore Elevated Tollway covenants that it will ensure that the sponsors hold not less than 51.0% of the paid-up equity capital of Bangalore Elevated Tollway during the construction period and until one year after the commercial operations date and 26.0% of its paid-up capital during the remainder of the concession period.

Engineering Procurement and Construction Arrangements

Bangalore Elevated Tollway sub-contracted the engineering, procurement, and construction of the road project to each of the sponsors. For details, see “—Our Construction Business — Roads & Bridges — 2. Bangalore-Hosur Road Project, Karnataka” beginning on page 71 of this Red Herring Prospectus.

State Support Agreement between Bangalore Elevated Tollway, NHAI and the Government of Karnataka

Bangalore Elevated Tollway (and NHAI) entered into a state support agreement with the state Government of Karnataka on March 20, 2007 (the "State Support Agreement"). The terms of this State Support Agreement are similar to those described above for the Western UP Tollway project.

Power

As of the date of this Red Herring Prospectus, the Company through its participation interest in Associates and equity interest in another company has substantially completed one power project and has three power projects under development. The following table summarises certain key features of these projects.

Facility	**Gautami Power**	**Himachal Sorang Power**	**KVK NilachalPower**	**SV Power**
Our Participation Interest as of March 31, 2007	19.2%	33.0%(1)	50.0%	50.0%
Status	Construction substantially complete	Under construction	Under development	Under development
Specifications				
Gross Capacity	464 MW	100 MW	300 MW	56 MW
Contract Capacity	464 MW	Not Applicable	225 MW	56 MW
Type	Natural gas fired combined	Hydro - electric	Coal based thermal	Coal washery reject based thermal
Scheduled Commercial Operations Date	Not known(2)	First quarter of calendar year 2010(3)	End of first quarter of calendar year 2010(3)	Third quarter of calendar year 2009(3)
Financial Information				
Estimated Original Project Cost	Rs. 14,500.0 million	Rs. 5,800.0 million	Rs. 13,500.0 million	Rs. 2,770.0 million
Project Debt Outstanding as of March 31, 2007	Rs. 10,150.0 million	Not Applicable	Not Applicable	Not Applicable
Equity Contribution by the Company as of March 31, 2007(4)	Rs. 744.9 million	Rs. 35.2 million	Rs. 45.6 million	Rs. 2.5 million
Power Purchase Agreement	Andhra Pradesh State Electricity Board	Not Applicable	PTC India Limited and Grid Corporation of Orissa	Chhattisgarh State Electricity Board
Expires	15 years	Not Applicable	25 years(5)	10 years
Fuel Supply Agreement				
Supplier	Gas Authority of India Limited Bharat Petroleum Corporation Limited	Not Applicable	Expect to enter into a coal supply agreement with Mahanadi Coal Fields Limited	Mahavir Global Coal Limited
Term Expires	December 31, 2020	Not Applicable	No fixed expiration	10 years
O&M Agreement				
Contractors	GVK Group	To be selected	To be selected	To be selected

1. Pursuant to a shareholders' agreement dated March 1, 2007, the equity interest of Nagarjuna Construction Company is 90.0% and the Company and SSJV Projects Private Limited each holds a 5.0% equity interest in Himachal Sorang Power. The Company and SSJV Projects are required to subscribe to the capital of Himachal Sorang Power in the form of non-redeemable fully convertible debentures which will be issued at par for a consideration of Rs. 365.0 million. The debentures will carry zero coupon rate and will be converted at par into equity shares of Himachal Sorang Power after a period of two years from the commercial operations date resulting in a reduction of Nagarjuna Construction Company's shareholding to 34% and an increase in both the Company's and SSJV Projects' shareholding to 33%.
2. On February 28, 2007, the High Court of Andhra Pradesh issued interim orders directing the Government of Andhra Pradesh and APTRANSCO to recommend to the Gas Authority of India Limited to supply the contracted levels of natural gas and also provide power and interconnectivity to the Andhra Pradesh electricity grid to enable the project to achieve commercial operation. These interim orders were set aside by the Division Bench, High Court of Andhra Pradesh. On appeal by Gautami Power to the Supreme Court of India, the Supreme Court recorded that the parties will try to resolve the dispute amicably. Gautami Power has submitted a proposal to APTRANSCO for consideration.
3. The scheduled commercial operations date is based on the time limits, if any, set under the relevant power purchase agreement for achieving project completion and/or the Company's expectations when it will achieve project completion, assuming in each case financial closure occurs during the fourth quarter of calendar year 2007.
4. Includes paid-up share capital, share application funds, and convertible debentures.
5. Other than for an event of default, the power purchase agreement with PTC India can be terminated if at any time from the 14th year after the commercial operations date, the fuel charge per kWh generated is not acceptable to PTC India.

1. The Gautami Power Project, Andhra Pradesh

Construction of this project is substantially complete and is ready for commissioning but is subject to the availability of required levels of natural gas so that commercial operation of the project can be declared.

Overview

The Government of Andhra Pradesh announced a policy aimed at attracting private sector investment in the power sector and invited bids for short gestation power projects. The Company submitted a bid and was in turn selected to design, finance, construct, complete, own and operate a 300 MW liquid fuel power station, which was subsequently increased to 358 MW capacity. The Company incorporated Gautami Power (formerly, Gautami Power Private Limited) as the special purpose vehicle for developing the project. Similarly, NCC was selected to design, finance, construct, complete, own and operate a 227 MW liquid fuel power station. Although both power stations were originally intended to operate using naphtha, an increase in the price of naphtha caused the Government of Andhra Pradesh to suggest to independent power producers that they change their main fuel source from naphtha to natural gas.

Based on recommendations of the Government of Andhra Pradesh, the Ministry of Petroleum and Natural Gas, GoI allocates natural gas to independent power producers. As natural gas allocations were insufficient to support the individual capacities of independent power producers, the Government of Andhra Pradesh recommended that independent power producers either reduce their project capacity or merge their projects in order to match the natural gas allocation. Accordingly, the Company and NCC merged their respective projects into a power plant with a total capacity of 597.9 MW to be implemented in two stages – 464 MW in stage I and 133.9 MW in stage II. Stage I of the power station was, however, subsequently changed to a 464 MW combined cycle natural gas power station.

The total cost of the project was originally estimated at Rs. 14,500.0 million and was financed with a debt to equity ratio of 70:30. As of March 31, 2007, the Company had a 19.2% participation interest in Gautami Power. For a description of the terms of the shareholders agreement governing the rights and obligations of the co-sponsors of Gautami Power, see the section "History and Certain Corporate Matters ¯ Shareholders' Agreements" beginning on page 137 of this Red Herring Prospectus.

Current Status

The first stage of the project involving construction of a power plant capable of delivering 464 MW was substantially completed and ready for commissioning in September 2006. Gautami Power was unable to procure required levels of natural gas from the Gas Authority of India Limited, an entity controlled by the GoI. As a consequence, the unavailability of contracted levels of natural gas means that Gautami Power has not carried out the mandatory performance acceptance tests, a pre-condition to commercial operation, and, as a result, the Government of Andhra Pradesh has not issued a completion certificate.

Gautami Power filed a suit in the High Court of Andhra Pradesh against the Government of Andhra Pradesh and APTRANSCO seeking, among other things, specific performance directing:

- the Government of Andhra Pradesh and APTRANSCO to recommend to the Ministry of Petroleum and Natural Gas and GAIL to supply the contracted levels of natural gas to the project; and
- APTRANSCO to provide power and interconnectivity to the Andhra Pradesh electricity grid in order to enable Gautami Power to achieve commercial operation.

On February 28, 2007, the High Court of Andhra Pradesh issued interim orders directing the Government of Andhra Pradesh and APTRANSCO to recommend to GAIL to supply the contracted levels of natural gas and also provide power and interconnectivity to the Andhra Pradesh electricity grid. These interim orders were set aside by the Division Bench, High Court of Andhra Pradesh. On appeal by Gautami Power to the Supreme Court of India, the Supreme Court recorded that the parties will try to resolve the dispute amicably. Gautami Power has submitted a proposal to APTRANSCO for consideration.

As a result of the delay in achieving commercial operation, Gautami Power is currently in discussion with the lenders regarding rescheduling its debt under loan facilities in connection with the development of this project.

Power Purchase Agreement between Gautami Power and Andhra Pradesh State Electricity Board

Gautami Power entered into a power purchase agreement with the Andhra Pradesh State Electricity Board ("APSEB") in relation to the project on March 31, 1997 (as amended on June 18, 2003, the "Gautami Power PPA"), valid for a period of 15 years from the commercial operations date, unless terminated earlier and renewable by mutual consent. Pursuant to the Gautami Power PPA, the APSEB was substituted by APTRANSCO, in whom all rights, obligations and responsibilities under the Gautami Power PPA were vested and assigned. Under the Gautami PPA, Gautami Power will sell and APTRANSCO will purchase all available capacity of the project. The tariff under this Gautami Power PPA is the sum of the following:

- A capacity charge which includes a foreign debt service charge component as well as an other fixed charges ("OFC") component. The foreign debt service charge of US$ 0.006 per unit of cumulative available energy is converted into rupees at the current exchange rate. Under the Gautami Power PPA, the foreign debt service charge is payable to Gautami Power for a period of 11 years to cover all of the foreign debt repayment obligations of Gautami Power under the foreign currency loan. The OFC of Rs. 0.699 per unit of the cumulative available energy is fixed for the term of the Gautami Power PPA (that is, 15 years from the commercial operations date). The total of the foreign debt service charge and the OFC is not permitted to exceed an amount corresponding to a plant load factor (defined as the ratio of cumulative available energy to the maximum energy that could theoretically be generated by the project during any given tariff year) ("PLF") of 80.0% for the 464 MW of project capacity.
- An energy charge comprising the cost of fuel as delivered at the fuel metering point at the site.

APTRANSCO is also required to reimburse Gautami Power for minimum fuel off-take charges paid by Gautami Power because of Gautami Power's failure to take delivery of minimum levels of fuel. APTRANSCO's reimbursement obligation only applies if Gautami Power's failure to take such fuel was the result of dispatch instructions by APTRANSCO requiring the project to be operated at a lower level than its declared capacity or because APTRANSCO was unable to accept delivery of net electrical energy from the project (whether due to *force majeure* events or otherwise).

Where the PLF is greater than 80.0% in any tariff year, then an incentive payment for the additional units of actual generation in excess of the PLF of 80.0% is payable. The incentive paid is based on a percentage of the OFC as prescribed in the Gautami Power PPA and is capped at a maximum of 10.0% of the OFC.

In the event the project is unable to achieve a PLF of approximately 68.5% (excluding committed incentive energy) for a tariff year, Gautami Power will pay APTRANSCO a penalty as a percentage of the OFC. If the PLF is below 50.5%, the penalty is capped at a maximum of 46.0% of the OFC.

Payment Mechanism. Payments due from APTRANSCO under the Gautami Power PPA are required to be supported by a three-tier credit support mechanism, as follows:

- APTRANSCO is required to open an irrevocable revolving letter of credit for an amount equal to monthly billing computed at 100% PLF. In the ordinary course, payment is received from APTRANSCO through the letter of credit mechanism. In the event of non-payment through the letter of credit mechanism, Gautami Power will have recourse to an escrow arrangement.
- Under the terms of the escrow arrangement, APTRANSCO deposits collections from customers into an escrow account established for the benefit of Gautami Power. The amount required to be deposited in the escrow account on a monthly basis is equal to the letter of credit amount. The escrow account becomes operational 30 days prior to the scheduled commercial operations date. APTRANSCO is required to maintain on a monthly basis an amount which is no less than 100% of the letter credit amount. APTRANSCO has also covenanted that it shall not act in any manner that may adversely affect the inflow of revenue into the escrow account. APTRANSCO can on a monthly basis withdraw monies that become available in the escrow account for such purposes as APTRANSCO may designate, so long as APTRANSCO is in compliance with its payment obligations under the Gautami Power PPA.
- The third level of credit enhancement is a state government guarantee from the Government of Andhra Pradesh. The guarantee covers APTRANSCO's monthly payment obligations and buy-out obligations. In connection with the buy-out obligations, the guarantee is restricted to outstanding debt obligations (both foreign and domestic borrowings) under the Gautami PPA, but does not include equity.

Force Majeure. Under the Gautami Power PPA, provided proper notice has been given, performance by Gautami Power and APTRANSCO is generally excused if the affected party is unable to perform on account of a *force majeure* event. Performance is only excused for as long as the *force majeure* event exists such that any dates specified in the Gautami Power PPA for performance are extended to compensate for the delay. *Force majeure* events include both political and non-political events. A political *force majeure* event includes delays by a government agency to perform its obligations. If the *force majeure* event continues beyond a prescribed period of time, the Gautami Power PPA may be terminated. The financial remedies for such events range from each party bearing its own costs to payment of capacity charges.

Buy-out Mechanism. The Gautami Power PPA provides for the purchase of the project by APTRANSCO pursuant to a buy-out notice. The buy-out price is determined according to the reasons for termination. Termination can result from an APTRANSCO purchase option following a Gautami Power default or a Gautami Power sale option following an APTRANSCO default. The buy-out price is determined based on the following elements:

- Discounted cash flow value for the remainder of term of the Gautami Power PPA;
- Total debt outstanding;
- Transfer taxes; and
- Transfer cost.

Engineering, Procurement and Construction Arrangements

Gautami Power entered into an EPC contract with Alstom (Switzerland) Limited and Alstom Projects India Limited on September 27, 2003 which comprises of three main contracts and two pre-engineering contracts. These contracts cover the supply of plant and equipment and all services in connection with engineering, erection, construction, commissioning, start-up, demonstration and testing and training of personnel in the operation and maintenance of the plant. The engineering, procurement and construction work under these contracts is either complete or substantially complete. The supply contracts contain provisions to remedy any defects in such plants, works and services.

Operations and Maintenance Arrangements

The GVK Group will operate and maintain the project pursuant to an O&M Agreement with Gautami Power. The agreement runs for a period of 15 years, expires in 2021, and is renewable by mutual consent.

Fuel Supply Arrangements

Gautami Power entered into a Gas Supply Agreement ("GSA") for supply of 1.96 MMSCMD with GAIL on October 9, 2000 which was later amended on April 21, 2004. The GSA is valid until December 31, 2020. Pursuant to the GSA, Gautami Power has provided a security deposit to GAIL in addition to a bank guarantee in favour of GAIL. The GSA provides that GAIL does not have any contractual obligation to supply the minimum guaranteed quantity of gas (1.96 MMSCMD). Although Gautami Power has a firm allocation of 1.96 MMSCMD of gas, Gautami Power is not able to receive sufficient quantities of gas to meet the specified power output requirements. To offset the lower gas allocation, Gautami Power has entered into a fuel supply agreement with Bharat Petroleum Corporation Limited for the supply of high speed diesel, which is used as an alternative fuel to natural gas. The agreement is valid until December 2020.

2. *Himachal Sorang Power Project, Himachal Pradesh*

Overview

This project involves the development, design, engineering, procurement, construction, operation and maintenance, generation and sale of electrical output and electrical capacity produced by a 100 MW hydro-electric power station and related facilities to be constructed and installed in Sorang in the state of Himachal Pradesh. Civil construction includes construction of intake works, diversion weir, desilting basin, headrace tunnel, surge shaft, and powerhouse and other permanent and temporary works. As this project is proposed as a merchant power facility, there is currently no power purchase agreement. Although this exposes Himachal Sorang Power to offtake/payment/price risk, the shortage of electricity in India and the demand for power in India is expected to mitigate this risk. After 40 years from the commercial operations date, the project reverts back to the Government. The project is part of the policy of the Government of Himachal Pradesh to engage private sector participation in power projects of Himachal Pradesh.

The total project cost is estimated at Rs. 5,800.0 million and is being financed by a combination of debt and equity. The debt to equity ratio is 80:20.

Shareholder Arrangements

Himachal Sorang Power is the special purpose vehicle established for developing the project. Each of the sponsors will invest an equal amount in Himachal Power Sorang through a combination of equity and fully convertible debt so that they have the same economic interest. As of March 31, 2007, the Company had a 33.0% participation interest in Himachal Sorang. For a description of the terms of the shareholders agreement governing the rights and obligations of the co-sponsors of Himachal Sorang see the section "History and Certain Corporate Matters¯Shareholders' Agreements – Shareholders' Agreement among NCC, SSJV Projects Private Limited, Himachal Sorang Power and Maytas Infra" beginning on page 152 of this Red Herring Prospectus.

Under the Implementation Agreement (defined below), Himachal Sorang Power has agreed that, for two years after commissioning of the project, Himachal Sorang Power will ensure that the equity participation by each of the consortium partners remains as specified in the Implementation Agreement. The implementation agreement automatically terminates and the project reverts to the Government of Himachal Pradesh, with no compensation payable to Himachal Sorang Power by the Government of Himachal Pradesh, if there is a change in the equity participation without prior approval of the Government of Himachal Pradesh.

Implementation Agreement between Himachal Sorang Power and the Governor of Himachal Pradesh

Himachal Sorang Power entered into an implementation agreement with the Governor of Himachal Pradesh on January 28, 2006 (the "Implementation Agreement"), valid for a period of 40 years commencing on the commercial operations date. The Implementation Agreement was supplemented by written agreement between Himachal Sorang Power and the Governor of Himachal Pradesh on February 8, 2007 (the "Supplementary Implementation Agreement").

The Implementation Agreement provides that Himachal Sorang Power must ensure the execution, operation and maintenance of the project is in strict compliance with the design and construction standards and specifications and also complies with the various obligations regarding the environment and ecology. Furthermore, in case, any existing facilities such as irrigation systems, water supplies, roads, buildings, bridges are adversely affected because of the implementation of the project, Himachal Sorang Power is required, at its expense, to take remedial measures to mitigate such effects. Under the Supplementary Implementation Agreement, Himachal Sorang Power, as well as contractors deployed by it, must give an employment preference to Himachalis for all skilled and unskilled positions. For example, Himachal Sorang Power is required to fill 100% (and if not available, at least 70%) of all executive, non-executive, skilled, and non-skilled positions with Himachalis.

The Government of Himachal Pradesh has agreed that it will acquire, at the expense of Himachal Sorang Power, all land as may be required for the project and assist Himachal Sorang Power in securing all applicable permits required for implementing the project on the acquired land.

Sale of Power; Royalty Payments. Himachal Sorang Power can sell electricity from the project in any mode in accordance with the Electricity Act of 2003 after allowing for a royalty payment to the Government of Himachal Pradesh in the form of free power. The royalty applies for 40 years from the commercial operations date. The royalty is 12% free power for the initial 12 years from the commencement of operations and 18% free power for the remaining 28 years. If commercial operation is achieved early, the Implementation Agreement provides for a reduction in the amount of free power for the period between the commercial operations date and the scheduled completion date. Conversely, there is a penalty amount of free power after the scheduled project completion date for as long as commercial operation is not achieved.

Commercial Operations Date. Himachal Sorang Power has undertaken to complete the project not later than 84 months from January 28, 2006, the date the Implementation Agreement was signed (the "Scheduled Project Completion Date"). The "commercial operations date" is the date when the generating unit is capable of delivering power after having successfully completed all commissioning tests.

Engineering, Procurement and Construction Arrangements; Operation & Maintenance Arrangements

The EPC contract structure consists of an electro-mechanical component and a civil and hydro-mechanical component. An electro-mechanical contract was awarded to Voith Siemens Hydro (India) Private Limited and a civil and hydro-mechanical contract was awarded to Maytas-NCC-SSJV. For details on this latter contract, see "— Our Construction Business - Power - 5. Sorang Hydro Electric Project, Himachal Pradesh" beginning on page 77 of this Red Herring Prospectus. Operation and maintenance is proposed to be carried out either by Himachal Sorang Power or by outsourcing this task to a third-party contractor.

3. *KVK Nilachal Power Project, Orissa*

Overview

This project involves construction, installation and commissioning of the first phase of 2 x 300 MW coal based thermal power stations in the Gurudijhata, a village in the Cuttack District in the state of Orissa. The project comprises construction of one generating unit with an installed capacity of 300 MW in Phase I, a transmission line from the switchyard of the project to the nearest sub-station/interconnection point of the Power Grid Corporation, and all facilities and related assets required for the operation of the power station. KVK Nilachal Power, the special purpose vehicle established to undertake this project, signed a power purchase agreement dated September 1, 2006 with PTC India Limited ("PTC India") for the purchase by PTC India of 150 MW of capacity and a power purchase agreement dated September 28, 2006 with the Grid Corporation of Orissa ("Orissa Grid") for the purchase of up to 75 MW of available capacity. PTC India is a GoI owned and controlled company set up with the objective of purchasing power from independent power producers, such as KVK Nilachal Power, captive power plants and other generating and transmission companies, state electricity boards, state government statutory bodies, licensees, power utilities and then selling power to the private or public sector, including state electricity boards, power utilities, generating and transmission companies, and bulk consumers.

The power purchase agreements with PTC India and Orissa Grid are long-term agreements for 25 years from the date of commercial operation of the last unit of the power station and can be extended on mutually agreed upon terms and conditions. The long-term nature of these agreements mitigates offtake/payment/price risk for KVK Nilachal Power. PTC India in turn has a back-to-back power purchase agreement with the Kerala State Electricity Board. However, before these power purchase agreements become effective, approval is required from the Kerala Electricity Regulatory Commission. KVK Nilachal Power has submitted an application to the Kerala Electricity Regulatory Commission seeking approval:

- for the procurement of 150 MW of power by the Kerala State Electricity Board from KVK Nilachal Power through PTC India;
- for the tariff for a 13-year period from the commercial operations date; and
- for the power supply agreement.

KVK Nilachal Power intends to use the balance of the 75 MW available capacity for short term power trading and has approached several power trading companies and electricity boards in connection with power trading opportunities. The estimated total project cost is Rs. 13,500.0 million and is to be financed by a combination of debt and equity. The debt to equity ratio is expected to be approximately 80:20.

Loan facilities, possibly consisting of a senior loan and a subordinated loan, are still being negotiated with the lenders. Although the financial and commercial terms will be specific to this project, we expect that the covenant and security package under these loan facilities will be similar to those under our other Infrastructure Development projects described in this Red Herring Prospectus. Financial closure is expected to occur by the end of the fourth quarter of calendar year 2007 and is subject to, among other things, acquiring private land for the project, and obtaining water, power evacuation and certain other permits, clearances, and approvals. To date, KVK Nilachal Power has obtained forest land clearance and is continuing to pursue certain other environmental clearances. The notice to proceed with construction is expected to follow immediately after financial closure. Construction is expected to take almost three years with commissioning and commercial operation scheduled for the end of the first quarter of calendar year 2010. As of March 31, 2007, the Company has a 50.0% participation interest in KVK Nilachal Power. For a description of the terms of the shareholders agreement governing the rights and obligations of the co-sponsors of KVK Nilachal Power, see the section "History and Certain Corporate Matters - Shareholders' Agreement among KVK Energy & Infrastructure Limited, the Company, and KVK Nilachal Power Private Limited" beginning on page 144 of this Red Herring Prospectus.

Power Purchase Agreement between KVK Nilachal Power and PTC India

KVK Nilachal Power entered into a Power Purchase Agreement with PTC India on September 1, 2006 ("PTC India PPA"), valid for a period of 25 years from the commercial operations date for Phase I of the project, which is renewable by mutual consent. The PTC India PPA is, however, subject to early termination after 14 years if the variable fuel charge component of the tariff is unacceptable to PTC India. The PTC India PPA is still subject to satisfaction of a number of conditions precedent including financial closure; execution of a power sale agreement between PTC India and the Kerala State Electricity Commission, and a coal supply agreement; and obtaining all permits and approvals from the appropriate regulatory authorities. The PTC India PPA can be terminated by either party if the conditions precedent are not satisfied or waived by September 1, 2007.

Under the PTC India PPA, KVK Nilachal Power will exclusively sell to PTC India, and PTC India will purchase from KVK Nilachal Power, 150 MW of capacity of the project. If the capacity of the power station is expanded, PTC India will have a right of first refusal over the additional power generated by the expanded capacity. The tariff for the first 13 years after the commercial operations date is capped. The tariff payable by PTC India consists of a fixed capacity charge component and a variable charge component. The fixed capacity charge component is capped and is structured to cover all fixed costs of the plant and return on equity, including:

- capital cost of the project;
- interest on term loans at financial closure;
- depreciation;
- corporate income tax and minimum alternate tax;
- operating and maintenance payments; and
- interest on working capital.

The variable charge component of the tariff is structured to cover the cost of fuel charges such as coal and lubricating oil, based on certain assumptions relating to heat and oil consumption norms. During the first 13 years after the commercial operations date, KVK Nilachal Power will absorb the excess in variable charges to the extent the aggregate of fixed and variable charges exceed the capped tariff rate. We expect that revenue earned by KVK Nilachal during this period will be sufficient to repay the loans incurred in connection with development of this project. From the 14th year, KVK Nilachal Power is entitled to pass on the entire variable charge to PTC India subject to PTC India's right to terminate the PPA if the fuel charge is unacceptable to it. Prior to the commercial operations date, the tariff can be adjusted for delays (other than as a result of *force majeure* events) by KVK Nilachal Power and PTC India, shortfall in project capacity, material change to technical specifications and change in law. After the commercial operations date, the tariff can be adjusted due to a change in project capacity, change in law and for wheeling of third party's power through tie-line.

Payment Mechanism. Payments due from PTC India are to be secured by credit support in the form of a letter of credit. PTC India is required to open an irrevocable revolving letter of credit for an amount equal to the estimated average monthly billing computed at 80% PLF and for subsequent tariff years, equal to the average of the monthly tariff payments of the previous tariff year. The letter of credit is required to be opened one month prior to the commercial operations date.

Commercial Operations Date. The commercial operations date is the date when the power station is declared operational, having passed a series of sequential performance acceptance tests. Failure to satisfy these performance acceptance tests after two repeat tests is an event of default under the PTC India PPA. The scheduled date of completion is 36 months from financial closure. In the event that commissioning of the project is delayed by more than 30 days beyond the scheduled date of completion for reasons other than a *force majeure* event or breach by PTC India, KVK Nilachal Power is required to pay PTC India an amount for each day of delay in the form a tariff rebate. The tariff rebate is based on, among other things, the amount of any interest payments to the lenders of KVK Nilachal Power. Conversely, if commissioning is delayed beyond the scheduled date of completion at the request of PTC India or PTC India is unable to offtake the contracted power, PTC India is required to pay KVK Nilachal Power additional interest incurred during construction on account of such delay, interest on working capital and any other expenses incurred towards take-or-pay conditions, if any, under the coal supply agreement.

PTC India can require performance tests after each scheduled outage for preventative maintenance and repair as well as annually.

Power Purchase Agreement between KVK Nilachal Power and Orissa Grid

KVK Nilachal Power entered into a Power Purchase Agreement with Orissa Grid on September 28, 2006 ("Orissa PPA"), valid for a period of 25 years from the commercial operations date. Under this agreement, KVK Nilachal Power will sell and PTC India will purchase up to 25% of capacity of the project. The tariff payable by Orissa Grid under the Orissa PPA consists of a fixed capacity charge component and a variable energy charge component. The fixed capacity charge component is determined by Orissa electricity regulators, in accordance with the terms and conditions of tariff issued from time to time. The variable charge component of the tariff is structured to cover the cost of fuel charges such as coal and lubricating oil. Energy in excess of 80% PLF will be available at variable cost along with such incentive, as may be determined by the appropriate electricity regulatory commission, from time to time.

PTC India is required to make tariff payments to KVK Nilachal Power if power is not evacuated from the power station due to a breakdown in the grid if the breakdown exceeds 438 hours on a cumulative basis in any tariff year.

Payment Mechanism. Payments due from Orissa Grid are to be secured by credit support in the form of a letter of credit. Orissa Grid is required to open an irrevocable revolving letter of credit for an amount equal to 105.0% of the estimated monthly billing. The letter of credit shall be established for a minimum period of one year and Orissa Grid shall ensure that it remains valid at all times during the effectiveness of the Orissa PPA.

Engineering, Procurement and Construction Arrangements

KVK Nilachal Power entered into a turn-key EPC contract with Ranhill (India) Private Limited and Ranhill Engineers and Constructors SDN BHD on April 10, 2007 for implementation of a 1 x 300 MW capacity thermal power station in Cuttack, Orissa at a cost of approximately Rs. 10.2 billion inclusive of all taxes and duties. The EPC contract structure is comprised of agreements which include:

- Supplies (Cost-Insurance-Freight) contract for the supply of plant and equipment of non-Indian origin required for the project, including boilers, steam turbine generators, and generation plant control systems. This agreement is expected to include provisions to remedy any defect in such plants, works and equipment;
- Supplies (Ex-Works) Indian Factory contract for supply of plant and equipment of Indian origin required for the project, which includes a switchyard complete plant and electrical systems and balance of mechanical equipment. This agreement also contains provisions to remedy any defect in such plants, works and services;
- Engineering Services and Construction Contract in relation to the performance of all services in connection with engineering, erection, construction, commissioning, start-up, demonstration and testing and training of personnel in the operation and maintenance of the plant, and includes civil works and transportation; and
- Civil Works Contract for all civil and structural work in connection with the power plant.

In addition to the above, a guarantee (wrap contract) in favour of KVK Nilachal Power was also executed to provide a guarantee by the EPC contractor for all contracts. The project is scheduled to be commissioned by and reach commercial operation by the end of the first quarter of calendar year 2010.

Operation and Maintenance Arrangements

Operation and maintenance is proposed to be carried out either by KVK Nilachal Power or by outsourcing this task to a third-party contractor for a minimum 15-year period. KVK Nilachal Power is currently in discussion with potential O&M operators. Under the PTC India PPA, performance acceptance tests may be required annually and after each scheduled outage for preventive maintenance or repairs or improvements to the power station.

Fuel Supply Arrangements

KVK Nilachal Power currently estimates that a 300 MW power station will require 1.59 million tonnes of low grade thermal coal in order to maintain an 80.0% PLF. An 80.0% PLF corresponds approximately to 7008 hours of full load operation per annum. On July 27, 2006, the Ministry of Coal, Government of India, approved the issue of a letter of assurance to KVK Nilachal Power for long-term coal linkage. KVK Nilachal Power received a letter of assurance, dated August 19, 2006, from Mahanadi Coal Fields Limited to provide 1.2 million tonnes of coal of a certain grade per annum from its Talchar coal mines situated approximately 82 Km from the power station and connected by rail link between Talchar and Cuttack. A coal supply agreement will be signed between Mahanadi Coal Fields Limited and KVK Nilachal Power on financial closure. For the remaining coal requirement, KVK Nilachal Power has approached the Ministry of Coal, GoI seeking approval for additional tonnes of coal.

4. *SV Power Project, Chhattisgarh*

Overview

This project involves construction, erection, installation and commissioning of a 56 MW coal washery-reject-based power station based in the Korba District of the state of Chhattisgarh. The estimated total project cost is Rs. 2,770.0

million and is to be financed by a combination of debt and equity. The debt to equity ratio is expected to be approximately 75:25. Loan facilities, consisting of a senior loan and a subordinated loan, are being negotiated with lenders. Although the financial and commercial terms will be specific to this project, we expect that the covenant and security package under these loan facilities will be similar to those under our other infrastructure development projects described in this Red Herring Prospectus.

Financial closure is expected to occur in the fourth quarter of calendar year 2007 and is subject to, among other things, finalising the engineering, procurement and construction arrangements described below and obtaining the remaining permits, clearances, and approvals. The Chhattisgarh government has approved the establishment of a 2.5 million tonnes coal-washery plant by SV Power. The washery rejects from this plant will be used to produce 56 MW from a coal-washery-rejects-based power plant. SV Power has obtained permission from the Chhattisgarh State Electricity Board (the "CSEB") for running this 56 MW coal-washery-rejects-based power plant and the sale of power generated by this plant to the CSEB and third parties.

SV Power is the special purpose vehicle established to undertake this project. The Company will have a 50.0% equity interest in SV Power. For a description of the terms of the shareholders agreement governing the rights and obligations of the co-sponsors of SV Power, see the section "History and Certain Corporate Matters - Memoranda of Understanding - Memorandum of Understanding among K. Vijay Kumar, SV Power Private Limited and Maytas Infra" beginning on page 154 of this Red Herring Prospectus.

We expect to enter into a shareholders' agreement in the third quarter of calendar year 2007.

Power Purchase Agreement between SV Power and Chhattisgarh State Electricity Commission

SV Power entered into a power purchase cum wheeling agreement with the CSEB on August 24, 2005 ("SV Power PPA") in connection with the wheeling of power generated by the project through CSEB's transmission system for sale to CSEB and/or third parties. The maintenance of the plant shall be done by SV Power, at its cost. Sale of power to a third party requires the prior written consent of the CSEB. The contract for sale is for a minimum period of one year and the maximum number of third party customers is restricted to 15 unless the CSEB approves a higher number. In respect of the energy delivered by SV Power into the CSEB grid system, the CSEB shall have priority to purchase to permit captive consumption. The SV Power PPA shall operate for a period of 10 years from the date of its commencement or the date of commencement of feeding power to the CSEB grid system.

Payment Mechanism. Pursuant to the SV Power PPA, 3.0% of the energy generated from the plant will be deducted towards wheeling charges and the balance is to be made available for captive use at other locations or for sale to third parties. The wheeling charges are subject to change as per the policy of the Government of Chhattisgarh and may be recovered by the Chhattisgarh State Electricity Regulatory Commission ("CSERC") in the form of energy deduction (towards transmission losses) and in cash (as transmission charges). Power purchased by the CSEB shall be at rates approved by the CSERC. In case of any changes in the tariff declared by the Government of Chhattisgarh and approved by the CSERC for purchase of power generated through non-conventional energy sources, the power will be purchased at the new rate applicable.

SV Power has been advised by the CSEB to execute a fresh power purchase agreement applicable for non-conventional energy projects. This power purchase agreement is currently being negotiated.

Engineering, Procurement and Construction Arrangements

SV Power entered into three contracts on December 29, 2006 with Greensol Power Systems Private Limited ("Greensol Power") and proposes to enter into a fourth contract in the near future. The contract structure comprises:

- Supplies (Cost-Insurance-Freight) contract with Greensol Power for the supply of plant and equipment of non-Indian origin required for the project, including boiler and steam turbine, generation plant and control systems. This contract contains provisions to remedy any defect in such plants, works and services;
- Supplies (Ex-Works) Indian Factory contract with Greensol Power for supply of plant and equipment of Indian origin required for the project, which includes a switchyard complete plant and electrical systems and balance

of mechanical equipment. This agreement also contains provisions to remedy any defect in such plants, works and services;

- Engineering Services and Construction Contract with Greensol Power in relation to the performance of all services in connection with engineering, erection, construction, commissioning, start-up, demonstration and testing and training of personnel in the operation and maintenance of the plant, and includes civil works and transportation; and
- Engineering Services and Construction Contract for civil, electrical and mechanical work by a contractor other than Greensol Power.

In addition, SV Power entered into a contract on June 5, 2007 with Humboldt Wedag for the complete design, engineering, supply of all mechanical and electrical equipment, supervision of erection and commissioning of a 2.5 MTPA non-coking coal washery in Korba District, Chhattisgarh.

Operation and Maintenance Arrangements

Operation and maintenance is proposed to be carried out either by SV Power or by outsourcing this task to a third-party contractor for a minimum 15-year period. SV Power is currently short listing suitable O&M operators.

Fuel Supply Arrangements

The project uses coal washery reject as its source of fuel for electricity generation. SV Power has entered into a long-term fuel supply agreement with Mahavir Global Coal Limited on January 6, 2006 for the supply of coal washery reject. The agreement was entered into on an exclusive basis, and SV Power is required to purchase a minimum annual guaranteed quantity of coal washery reject which is delivered quarterly. If deliveries do not meet certain quality specifications, SV Power is entitled to reject and suspend deliveries and if quality problems persist beyond specified time limits, SV Power has the right to terminate the agreement. The fuel delivery/purchase obligation under the agreement is valid for a ten-year period commencing with the commercial operations date of the first unit of the generating station. The cost of coal washery reject is fixed at Rs. 450 per tonne inclusive of loading, transporting and unloading costs and is subject to adjustments for deviations in quality. If government regulations adversely affect the price, the parties are required to re-negotiate the fuel price in good faith. The coal washery reject will be delivered by trucks and title to and risk of loss passes to SV Power upon delivery.

SV Power is currently negotiating with third parties to secure approximately 2.5 million tonnes of run-of-mine coal for washing in its own coal washery.

Infrastructure Projects under Award

We currently have five projects in the award phase. We describe these projects below.

1. *Machilipatnam Port Project, Andhra Pradesh*

The Company received a letter of intent dated January 20, 2007 from the Government of Andhra Pradesh in response to a proposal from a consortium led by the Company for development of a deep water port at Machilipatnam on a Build, Own, Operate and Transfer basis at an estimated cost of approximately Rs. 12,550.0 million. The concession period is 33 years comprising of a three-year period for development and construction followed by a 30-year period for operation. The draft concession agreement also provides for an option to extend the concession period for a further two consecutive 10-year periods. After the expiration of the concession period, the port is handed back to the Government of Andhra Pradesh. Recently, the Government of Andhra Pradesh has requested the consortium to relocate the site of the deep water port from the locations submitted with the consortium's bid to a different location. The Company has complied with the request of the Government of Andhra Pradesh but has in turn submitted a revised estimated development and construction cost of Rs. 15,900.0 million which is currently being reviewed by the Government of Andhra Pradesh. The port is expected to handle various cargoes such as coal, cement, agricultural products and fertilisers.

Vajra Seaport is a special purpose vehicle established by the Company and its consortium partners to undertake the development and implementation of the project. The consortium for this project comprises the Company and the following sponsors (with the proposed equity interest in the share capital of the Vajra Seaport expressed as a percentage appearing adjacent to each such sponsor's name):

Name of Consortium Partners	**Proposed Equity Ownership Interest**
Maytas Infra Limited	40.0%[(1)]
Nagarjuna Construction Company Limited	11.0%
SREI Infrastructure Finance Limited	38.0%
Sarat Chatterjee & Company	11.0%
Total	100%

1. Under a memorandum of understanding, the Company has agreed in-principle to reduce its shareholding from 40.0% to 25.5% and Nagarjuna Construction Company has agreed in-principle to increase its shareholding from 11% to 25.5% subject to government of Andhra Pradesh approval.

In accordance with the bid submitted, Sarat Chatterjee & Company is proposed to be the port operator.

The debt-to-equity ratio for the project as originally tendered based on an estimated development and construction cost of Rs. 12,550.0 million was expected to be approximately 70:30, subject to financing arrangements with lenders. The Company expects to use a portion of the proceeds of this Issue to finance the development of the project. To date, the consortium has not commenced discussions with any financial institutions regarding financing for this project and it cannot be certain that it will secure non-recourse financing on favourable terms. The consortium is also currently reviewing a draft concession agreement. As per the draft concession agreement, an area of approximately 6,262.19 acres near the Machilipatnam Port will be made available for the project.

2. *Proposed Acquisition of a Power Project in South India*

The Company and certain partners (collectively, the "Consortium Purchasers") entered into a memorandum of understanding, on December 27, 2006, in connection with a proposed acquisition by the Consortium Purchasers of an aggregate 78.0% of the paid-up equity capital of a project company established for the purpose of designing, constructing, owning and operating a coal fired electric power station and earning revenue from the generation and sale of electricity from this power station. This project is currently defunct. On the date of signing the memorandum of understanding, the Consortium Purchasers paid to the sellers a non-refundable advance.

The share acquisition is subject to, among other things, the following:

- approval by the relevant state electricity regulatory authorities for a change in majority share ownership and management control of the project company; and
- renewal and revalidation by the relevant state electricity regulatory authorities of permissions and approvals and a power purchase agreement, all of which had previously been obtained by the sellers but which have in the meantime lapsed.

If the Consortium Purchasers are unable to fulfil the abovementioned conditions within 180 days of signing the memorandum of understanding, the memorandum of understanding will terminate. The first installment payment however, will not be returned to the Consortium Purchasers.

3. *Pondicherry –Tindivanam Tollway Project, Tamil Nadu*

We received a letter of acceptance dated March 5, 2007, from the NHAI awarding the Company and NCC (the "Maytas-NCC Consortium") a project involving the design, engineering, construction, development, finance, operation and maintenance of the existing 37.9 Km, two-lane road in the Pondicherry–Tindivanam section on NH-66 to a four-lane configuration on a BOT basis, in the state of Tamil Nadu. The concession is for a 30-year period.

The estimated cost of the project is Rs. 3,070.0 million. Under the concession agreement, construction of the road project is expected to commence in the fourth quarter of calendar year 2007 and is expected to be completed in mid-2010 which will immediately be followed by the commencement of operations and tolling. The project is expected to be financed by a combination of debt and equity as well as a grant from NHAI.

Pondicherry-Tindivanam Tollway is the special purpose vehicle established by the Maytas-NCC Consortium partners to undertake the development and implementation of the project. The Company has a 50.0% equity interest in Pondicherry-Tindivanam Tollway.

The Company and the NHAI entered into a concession agreement on July 19, 2007. The terms and conditions of this concession agreement are similar in substance to the concession agreements described above for the Meerut–Muzaffarnagar road project and the Bangalore Elevated Tollway road project, in which, in both cases, the NHAI was the concessioning authority.

4. *Outer Ring Road AP II Package – Hyderabad, Andhra Pradesh*

We received a letter of acceptance dated June 14, 2007 from Hyderabad Growth Corridor Limited ("HGCL") awarding the Company and Gayatri Projects Limited ("Maytas-Gayatri Consortium") a project involving the design, construction, development, financing, operation and maintenance of a eight lane access controlled expressway stretching 11.7 Km from Kollur to Patancheru. The project is on a BOT annuity basis in the state of Andhra Pradesh. The concession is for a 15 year period with HGCL.

Cyberabad Expressways is the special purpose vehicle established by the Company and the other consortium member for developing the project. As of March 31, 2007, the Company had a 50.0% participation interest in Hyderabad Expressways.

The estimated cost of the project is Rs. 5,017.5 million and the expected semi-annual annuity payable to Cyberabad Expressways by HGCL is Rs. 395 million. Under the draft concession agreement, construction of the road project is expected to commence in the third quarter of calendar year 2007 and is expected to be completed in mid-2010 which will immediately be followed by the commencement of operations. The project is expected to be financed by a combination of debt and equity as well as a grant from Hyderabad Urban Development Authority.

5. *Outer Ring Road AP IV Package – Hyderabad, Andhra Pradesh*

We received a letter of acceptance dated June 14, 2007 from Hyderabad Growth Corridor Limited awarding the Company and Gayatri Projects Limited ("Maytas-Gayatri Consortium") a project involving the design, construction, development, financing, operation, and maintenance of a eight lane access controlled expressway stretching 13 Km from Bangalore to Tukkuguda. The project is on a BOT annuity basis in the state of Andhra Pradesh. The concession is for a 15 year period with HGCL.

Hyderabad Expressways is the special purpose vehicle established by the Company and the other consortium member for developing the project. As of March 31, 2007, the Company had a 50.0% participation interest in Cyberabad Expressways.

The estimated cost of the project is Rs. 4,309.6 million and the expected semi-annual annuity payable to Hyderabad Expressways by HGCL is Rs. 304.9 million. Under the draft concession agreement, construction of the road project is expected to commence in the third quarter of calendar year 2007 and is expected to be completed in mid-2010 which will be immediately followed by the commencement of operations. The project is expected to be financed by a combination of debt and equity as well as a grant from Hyderabad Urban Development Authority.

Financing and Security Arrangements for Infrastructure Development Projects

In our infrastructure development business, those Associates and other project companies that have achieved, or shortly will achieve, financial closure, have each entered into bank facilities with lenders, with only limited recourse to the sponsors. In many of these loans, Infrastructure Development Finance Corporation syndicates these loans. Under these facilities, we are not always required to fund our entire equity capital contribution in the project company at financial closure. We and our co-sponsors may, however, be required to give undertakings to provide unpaid equity contributions, on a joint and several basis, as and when required under the loan facilities. The security package under these loan facilities typically includes a combination of one or more of the following:

- a first priority security interest over all existing and future moveable and immovable assets as well as intangible assets, including rights, title, interest, benefits, claims and demands under the concession agreements or power purchase agreements and all other project agreements; all receivables, revenue and insurance proceeds; and cash in all accounts including the debt service reserve account;
- a share pledge of a significant proportion of (existing and future) equity shares in the project company. The pledge may also provide for a floating charge over any dividends or other distributions, in cash or otherwise, received in connection with the pledged shares which crystallises in an event of default (as defined in the respective loan facilities);
- on a joint and several basis, a deed of undertaking by each of the sponsors not to transfer or cause to be transferred any equity shares or preference shares in a project company without the prior written consent of the lenders so long as amounts are outstanding under the loan facility;
- an agreement by the sponsors in favour of the project company and the lenders that they are jointly and severally liable for the completion of the entire project, irrespective of the fact that there are three separate EPC contracts between the project company and the sponsors and also guaranteeing each other's performance under their respective EPC contracts;
- on a joint and several basis a deed of undertaking by the promoters/sponsors to cover any cost over-runs necessary to complete the project. A breach of this agreement triggers a cross-default under the bank facilities;
- on a joint and several basis, a deed of undertaking for start-up expenses up to a specified amount and any overruns in operations and maintenance in excess of budgeted expenses and/or reduction in annuity;
- a deed of undertaking to meet any shortfalls in the debt service reserve account during the first year of commercial operation and thereafter, on demand of lenders, to meet any shortfalls in this account for interest payments;
- establishment of an escrow account;
- a limited recourse guarantee by the Company guaranteeing all payment obligations of a project company under the bank facilities;
- conversion of unpaid interest amounts owed to lenders into equity; and
- on a joint and several basis, a deed of undertaking to meet any shortfall between the amount outstanding under the bank facilities and the termination payment paid by government entity in case of an event of a default by the project company.

If the financing arrangements include subordinated loans, the security package is similar to the senior loans except that it ranks in priority behind the security package for the senior loans.

The bank facilities include customary affirmative and negative covenants and financial covenants. In addition, the project companies are typically not permitted to make any restricted payments (including payment of any dividends or other distributions) unless, among other things, a completion certificate has been issued, the debt service coverage ratio has been satisfied, and the debt service reserve accounts are sufficiently funded as prescribed under the bank facilities. The bank facilities also include a restriction on the transfer of shares by the sponsors except with the consent of the lenders.

As part of the financial arrangements with the lenders, and in addition to accelerating repayment of all monies due and outstanding under the bank facilities and other financing documents, the lenders may have 'step-in' rights on the occurrence of an event of default. Step-in rights entitle the lenders to enforce their security interests by (i) entering and taking possession of all of the secured assets and collateral of the project company, (ii) transferring the assets by way of lease, licence or sale, and (iii) substituting themselves or any nominee for the project company under any of the project documents (including the concession agreement) and the project company's residual interest in a collection account into which, among other things, all project revenue, insurance proceeds, equity payments, termination payments are deposited.

A default under, or an acceleration of the loans outstanding under the financing arrangements may also cause a cross-defaults under the concession agreements or power purchase agreements.

Equipment

In our irrigation business, we usually sub-contract the basic earthwork and land development to local sub-contractors who provide the excavation machinery and allied transport vehicles, while retaining for our own execution the more specialised water-related works.

The main equipment and machinery used in road and bridge projects are stone crushers, granular sub-base screening plant, hot mix plant (batch type and drum type), wet mix plant, electronic sensor paver, mechanical paver, kerb laying machine, concrete batching and mixing plant, weigh batchers, vibro compactor, tandem vibratory roller, front-end wheel loader, bitumen spreaders, rock breakers, sand piling machinery, dozers, automatic road marking machines and tunnelling boomer. Most of the equipment relating to road works is owned by us. In addition, we may be required to mobilise and procure various other equipments. We tend to purchase equipment to reduce the risk of availability of key equipment, meet pre-qualification criteria to bid for and then implement larger and more technically complex construction projects.

The main equipment used by our power division are stringing machines, relay testing kits, oil filtration machines, insulation testers, earth resistance testers, megger, tong testers and multimeters. Other than stringing machines which are hired specifically during the execution stages of our projects, all other equipment used by our power division are owned by us. The materials and equipment used by our power division are predominantly locally sourced.

We believe that our operations share synergies. For example, various equipment, such as excavators, dumpers, tippers and survey equipment are used by our projects, and we seek to minimise equipment downtime through efficient usage by our various projects. Supervisory personnel, civil engineers and other technical support staff can also be similarly transferred between our various projects with relative ease.

We are also supported by our common services divisions namely, the finance and accounts, human resources, planning, procurement, plant and machinery (construction equipment), IT, contracts and claims, tendering and documentation, strategic relationships, corporate services, internal audit. We seek to optimise the usage of equipment and assets owned by us in the form of plant and machinery, earth moving equipments, heavy and light vehicles and other similar equipment, other than land, buildings and leasehold improvements which have an aggregate net book value, on an unconsolidated basis, of Rs. 1,183.14 million as of March 31, 2007. Our design division enables us to deal with engineering and designing aspects of the projects. This division plans the assignments, guides teams onsite, and monitors the conformity of the projects to contractual specifications. Its scope of work includes aerial, geological, geophysical hydrological and hydrographical surveys and design-architectural, engineering and industrial services. Our planning division closely monitors all our projects, and provides a periodic and up-to-date review of the status of ongoing projects.

Project Lifecycle

The project lifecycle for our construction and infrastructure development business is generally similar and is described below.

Business Development

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

Tendering

We have a centralised tender department that is responsible for applying for all pre-qualifications and tenders. The tender department evaluates our credentials based on the stipulated eligibility criteria. We endeavour to qualify on our own for projects in which we propose to bid. In the event that we do not qualify for a project in which we are interested due to eligibility requirements relating to the size of the project, technical know-how, financial resources or other reasons, we may seek to form strategic alliances or project-specific joint ventures with other relevant experienced and qualified contractors. By using the combined credentials of the cooperating companies our chances of pre-qualifying and winning the bid for the project are strengthened. We believe that by centralising our tender monitoring and preparation functions, we are able to streamline our bidding processes while effectively managing our current and future resource allocations.

A notice inviting bids may either involve pre-qualification, or short-listing of contractors, or a post-qualification process. In a pre-qualification or short-listing process, the client stipulates technical and financial eligibility criteria to be met by the potential applicants. Pre-qualification applications generally require us to submit details about our organisational set-up, financial parameters (such as turnover, net worth, and profit and loss history), employee information, plant and equipment owned, portfolio of executed and ongoing projects and details in respect of litigations and arbitrations in which we are involved. In selecting contractors for major projects, clients generally limit the issue of tenders to contractors they have pre-qualified based on several criteria, including experience, technical ability and performance, reputation for quality, safety record, financial strength, bonding capacity and size of previous contracts in similar projects, although the price competitiveness of the bid is usually a significant selection criterion. Pre-qualification is the key to our winning major projects and we continue to develop our pre-qualification credentials by executing a diverse range of projects and building our financial strength.

If we pre-qualify for a project, the next step is to submit a financial bid. Prior to submitting a financial bid, we carry out a detailed study of the proposed project, including performing a detailed study of the technical and commercial conditions and requirements of the tender followed by a site visit. Our tendering department determines the bidding strategy depending upon the type of contract. For example, in case of bidding for a design-build project, we would appoint a competent consultant to design the project and provide us with drawings to enable further analysis of the various aspects of the project. This enables us to place a more informed bid. Similarly, a lump - sum tender would entail quantity take-offs from the drawings supplied by the clients.

In connection with our infrastructure development business, a site visit enables us to determine the site conditions by studying the terrain and access to the site. Thereafter, a local market survey is conducted to assess the availability, rates and prices of key construction materials and the availability of labour and specialist sub-contractors in that particular region. Sources of key natural construction materials, such as quarries for aggregates, are also visited to assess the availability and quality of such material.

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

The tendering department invites quotations from vendors, sub-contractors and specialist agencies for various items or activities in respect of the tender. This data supplements the data gathered by the market survey. The information gathered is then analysed to arrive at the cost of items. The estimated cost of items is then marked up to arrive at the selling price to the client. The basis of determination of the mark-up is based in part on the evaluation of the conditions of the contract. Alternatively, the client may choose to invite bids through a post-qualification process wherein the contractor is required to submit the financial bid along with the information mentioned above in two separate envelopes. In such a situation, the client typically evaluates the technical bid or pre-qualification application first and then opens the financial bids only to those contractors who meet the stipulated criteria.

Engineering and Design in our Construction Business

We provide detailed engineering services, if required by the client, for the projects that we undertake. Typically, for design-build projects, the client supplies conceptual information pertaining to the project and spells out the project requirements and specifications. We are required to prepare detailed architectural and /or structural designs based on the conceptual requirements of the client and also conform to various statutory and code requirements.

For those particular segments in which we do not have in-house design capabilities, we outsource design work to experienced consultants who specialise in the particular segment. Prior to bidding for the project, our tendering department and senior management review the preliminary design prepared by these consultants. Over the years, we have through a combination of experience and technical ability developed expertise in assessing the pre-tender designs prepared by our consultants, vis-à-vis the requirements of the client. After our initial review of the preliminary designs, we continue to confer with our consultants to arrive at the final solution for the project. Once the project is awarded to us, our consultants prepare detailed designs in accordance with the project requirements.

Procurement in our Construction Business

Since material procurement plays a critical part in the success of any project, we maintain experienced staff in our purchase department to carry out material, services and equipment procurement for all project sites. Procurement is a centralised function performed at our headquarters. Only in certain cases is procurement undertaken from project sites.

Upon award of a contract, the purchase department is provided with the project details along with the budgeted rates for material, services and equipment. The material, services and equipment required for projects are estimated by the engineering personnel from the individual project sites and then passed on to the purchase department along with the schedule of requirements. We have over the years developed relationships with a number of vendors for key materials, services and equipment. We have also developed an extensive vendor database for various materials and services. Based on the quotations received at the time of bidding, the purchase department invites quotations from additional vendors, if required. Vendors are invited to negotiate before finalising the terms and prices. The materials ordered are provided to the sites from time to time as per their scheduled requirements. We maintain material procurement, tracking and control systems, which enable monitoring of our purchases.

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

Construction

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

We execute projects across the various sectors of irrigation, roads and bridges, buildings and power. The methodology of construction depends upon the nature of the project (for example, the construction methodology would be different for a road project as compared to a building project). Construction activity typically commences once the client approves working designs and issues drawings. The project team immediately identifies and works with the purchase department to procure the key construction materials and services required to commence construction. Based on the contract documents, a detailed schedule of construction activities is prepared. This schedule identifies interim milestones, if any, stipulated in the contract with corresponding time schedules for achieving these milestones.

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

The key construction activities involved in a project depend on the nature and scope of the project. For a typical water supply project, we engage in the fabrication, lowering, laying, jointing and testing of the pipelines. For an earthen dam project, we perform excavation and earthwork. Similarly, a bridge project involves concreting and reinforcement activities.

We have a project management system that helps us track the physical and financial progress of work vis-à-vis the project schedule. Daily progress reports are prepared at the major project sites and sent to the project monitoring cell in the head office for collation. Project personnel hold periodic review meetings with clients at the project sites and also with key personnel in our headquarters to discuss the progress being made on the project. The project managers also hold periodic review meetings with our vendors and subcontractors to review progress and assess future needs.

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

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

Bid Capacity

Since our business is project-specific, we cannot quantitatively assess our available capacity according to any uniform measure. However, our ability to undertake any given project is dependent on our pre-qualifications for such project and our available bid capacity. The bid capacity is determined by a formula given by the client and which generally takes into consideration a permutation of various financial and other parameters. These include the value of the proposed project, the duration of the project, the value of orders that the contractor has in hand, average duration of the projects the contractor has on hand, and the average turnover of the contractor in prior fiscal years.

Types of Contracts

The different contract types typically used in the construction business falls into one or more combinations of the following categories:

- ***Lump sum contracts*** provide for a single price for the total amount of work, subject to variations pursuant to changes in the client's project requirements. In lump-sum contracts, the client supplies all the information relating to the project, such as designs and drawings. Based on such information, we are required to estimate the quantities of various items, such as raw materials, and the amount of work that would be needed to complete the project, and then prepare a bill of quantities ("BOQ") to arrive at the price to be quoted. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted price.
- ***Design and Build contracts*** provide for a single price for the total amount of work, subject to variations pursuant to changes in the client's project requirements. In Design and Build contracts, the client supplies conceptual information pertaining to the project and spells out the project requirements and specifications. We are required to (i) appoint consultants to design the proposed structure, (ii) estimate the quantities of various items that would be needed to complete the project based on the designs and drawings prepared by our consultants and (iii) prepare a BOQ to arrive at the price to be quoted. We are responsible for the execution of all aspects of the project described above at our quoted price.
- ***Item-rate contracts*** are contracts where we need to quote the price of each item presented in a BOQ furnished by the client. In item-rate contracts the client supplies all the information such as the design, drawings and a BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates for each respective item.

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

The different contract types typically used in the infrastructure development business falls into one or more combinations of the following categories:

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

- ***Annuity contracts*** typically provide for the facility to be constructed, maintained and financed by the bidder. The client agrees to pay the successful bidder annuity payments in predetermined amounts at pre-defined intervals over the course of the Concession Period. However, the client retains ownership of the asset and collects revenues, if applicable, during the entire life of the project.

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

Raw Materials/Consumables/Bought-Outs/Contract Labour

The principal raw materials used in projects in the irrigation, roads and bridges, building and structures, and power sectors is steel, aggregate, cement, diesel and bitumen.

As activities in the construction industry in India generally cease during periods of adverse weather, such as during the half-yearly monsoon season, our requirements for principal raw materials (such as cement and steel) are also seasonal in nature. Our agreements for raw materials are typically supply contracts with prices determined on a spot basis. However, these supplies are obtained on a need-basis, and we have negotiated with our suppliers for certain agreed discounts to the market price, which will apply upon our purchase of a certain minimum amount. In case of steel, diesel and bitumen, our requirements are project specific, with similar agreed discounts factored into the prices for the raw materials. We enter into memoranda of understanding with major steel suppliers to maintain both the availability and timely delivery of these raw materials to meet our project implementation schedule. Due to the large volume of our purchases, we typically enjoy discounts which are only offered to bulk purchasers. Our requirements for various metals, river sand, and block masonry are similarly project specific. These raw materials are usually sourced from a location near the project site. Most of these raw materials and consumables are easily available. Our contract terms may also provide for escalation clauses which may address price variations for our raw material requirements.

For some of our projects, we may be required to purchase specific equipment and components or bought-outs for project implementation.

We also sub-contract certain portions of our projects to various sub-contractors, who are responsible for providing for their own supplies of labour and raw materials. Our arrangements with our various sub-contractors are based on item-rate contracts, with rates calculated on a basis that will ensure predetermined margins.

Key Processes and Technology

Our clients typically specify in the tender documents the technology and processes they would like us to use during project implementation. These technologies and processes are usually proven conventional technologies and methods, which do not require our entry into any collaboration agreements with third parties for new technology. For projects which require specialised technology and processes, we typically enter into technology and collaboration agreements with appropriate parties for transfer of know-how and relevant technology required for implementation of the project. For certain projects, we enter into tie-ups from time to time with joint venture partners who possess experience in implementing projects with alternate technologies specified in the tender document. We generally do not own the specialised technology required, but source it domestically to the extent possible. In case of specialised projects that require special technology, we may identify international sources and establish the necessary tie-ups for the technology transfer. For example, we purchase from international suppliers the high capacity pumps that we use for lift irrigation schemes.

Marketing and Business Development

A majority of the construction contracts for infrastructure works in India are offered by the public sector through the central and state governments. Funds for these projects are allocated through their respective budgets as well as through international and domestic financial institutions such as the World Bank, the Asian Development Bank, the Japan Bank for International Cooperation, the Housing and Urban Development Corporation, and the National Bank for Agriculture and Rural Development. In addition to the public sector infrastructure activity, construction contracts are also offered by the private sector. Public and private sectors project activities generally follow a similar process: issue of a tender notice for pre-qualification, followed by receipt of bids from pre-qualified contractors, and finalisation of a contract with the preferred bidder.

Our Group Companies

We conduct our business through 10 Associates, two Subsidiaries and, in our construction business, seven joint ventures. For further information regarding our Subsidiaries, Associates and Joint Ventures, see the section "History and Certain Corporate Matters" beginning on page 116 of this Red Herring Prospectus. Our Associates are:

- Brindavan Infrastructure;
- Western UP Tollway;
- Bangalore Elevated Tollway;
- Himachal Sorang Power;
- SV Power;
- KVK Infrastructure;
- KVK Nilachal Power;
- Hyderabad Expressways;
- Cyberabad Expressways; and
- Dhabi Maytas.

Our Subsidiaries are:

- Maytas (Singapore) Holding; and
- Infratrade FZE.

As of March 31, 2007, we also have a 19.2% participation interest in Gautami Power.

Joint Ventures

Generally, we bid for projects as the sole contractor with full responsibility for the entire project, including, if required, the overall responsibility and sole discretion to select and supervise subcontractors. From time to time, for certain larger projects that require resources beyond those available to us, such as financial strength, equipment, manpower or local content resources, or when we wish to share the risk on a particularly large project, we seek to make alliances through the formation of special purpose vehicles or project-specific joint ventures with other contracting, engineering and construction companies.

In a project-specific joint venture, each member of the joint venture shares the risks and revenues of the project according to a predetermined agreement. The agreements specifically assign the work to be performed by each party and the responsibilities of each party with respect to the joint venture, including how the joint venture will be managed and the equipment, personnel or other assets that each party will contribute or make available to the joint venture. The profits and losses of the joint venture are shared among the members according to a predetermined ratio. The fixed assets that are acquired by the joint venture are generally transferred to the respective joint venture members upon completion of the joint venture project. The agreements also set forth the manner in which any disputes among the members will be resolved. In a joint venture arrangement, there is typically a joint and several liability on the members. In the event that other members of our Joint Ventures default on their duties to perform, we would remain liable for the completion of the project. For further details, see the section "History and Certain Corporate Matters — Shareholders' Agreements" and "— Memoranda of Understanding" beginning on pages 137 and 154, respectively, of this Red Herring Prospectus.

In addition to the joint ventures described above, we have also tendered for a number of infrastructure projects with other potential joint venture partners, and may enter into joint venture arrangements with such parties upon being awarded these projects.

Quality Certifications

We have received a certification from AQA International, LLC in respect of our quality management system (ISO 9001:2000, valid until February 27, 2009). This certification is accredited by the ANSI-ASQ National Accreditation Board.

Property

The following table sets forth information concerning certain of our principal properties in India:

	Type of Property/Location	Owned/Leased	Primary activities or use
Building			
1.	No.6-3-1186/5/A, Somajiguda, Hyderabad	Leased	Registered office
2.	Flat No.201, 2nd Floor, D.No.6-3-1186/7/14&15, Sravya Vatika Apartment, Begumpet, Hyderabad	Leased	Guest House
3.	Flat No.501, 5th Floor, D.No.6-3-1186/7, Sravya Vatika Apartment, Begumpet, Hyderabad	Leased	Guest House
4.	No.289, 15th Main, Rajmahal Vilas Extension, Bangalore – 560 080	Leased	Regional office
5.	Delhi Regional Office, H. No. A-1/152, Safdarjung Enclave, New Delhi	Leased	Regional office
6.	Flat in Singapore Township Hyderabad, Block No. C-7, Flat No. 901, Andhra Pradesh Housing Board, Singapore Class Township, Pocharam, Ghatkesar Mandal, R. R. District, Andhra Pradesh	Owned	Site Office
Land			
	Land in Meerut, Uttar Pradesh for the Meerut Road Project, Village Daurala, Tehsil Sardhana, Meerut District, Uttar Pradesh	Owned	Meerut Road Project
	Land in Trichy, Tamil Nadu for the Trichy – Padalur Link Project, Village Siruganur, Taluk Mannachanallur, District Trichy, Tamil Nadu	Owned	Trichy – Padalur Road Project

The terms of our leasehold properties are varied. Each lease would depend on the tenure of the particular project in relation to which the lease is sought. We would also request in all of our leases, for an option to renew the lease for a further period, usually at a marginally increased rate of rent. In addition, we also lease various premises across India to facilitate our work at the various project sites. These leases typically expire upon completion of the relevant project.

Most of our owned properties are mortgaged and security (in the form of charges) is usually created in favour of our lenders.

Competition

Our major competitors in each of the infrastructure sectors in which we operate, in both our construction and infrastructure development business, include, among others, Larsen & Toubro, Hindustan Construction Company, IVRCL, Jaiprakash Associates Limited, Gammon India Limited, Patel Engineering Limited and NCC. Some of these entities are also our joint venture partners. We also face competition from regional contractors, especially, in our irrigation construction business. Furthermore, the pool of suitable companies with whom we can partner is also limited.

In the initial years of our business, we faced competition primarily from Indian companies. Substantial barriers restricted foreign competition from entering into India. However, in more recent years, India has adopted new economic policies which have created opportunities for increased competition in the engineering and construction sectors, especially from foreign companies.

We expect competition in the Indian construction market to remain high, given that the Indian construction sector is becoming increasingly attractive due to ongoing liberalisation, rising government expenditure on infrastructure and various policy initiatives for development of infrastructure. While we believe that the liberalisation of the Indian economy creates attractive business opportunities for us, we also anticipate that competition from both Indian and foreign companies will increase.

Governmental Regulations

In order to undertake the projects which we are awarded, we are usually required to obtain various project-specific licences and approvals, depending upon the state laws or regulations applicable to the geographic region in which the work is undertaken. It is generally a pre-condition to the commencement of work for any particular project that all governmental approvals are obtained by the client.

More generally, each of the states in which we work typically requires separate registration of contractors under various departments, such as the relevant public works department, public health engineering department, water resource department, state electricity board, and roads and bridges department. Upon registration with the relevant departments, contractors are generally classified according to their credentials, and that classification is then used to define the value of projects which can be undertaken.

In addition, as an infrastructure development and construction company, we are also required to comply with various laws and regulations relating to the environment. For example, India has a number of pollution control statutes which empower state regulatory authorities to establish and enforce effluent standards with respect to the discharge of pollutants or effluents into water or the air. In addition, there are various regulations in relation to using hazardous processes in manufacturing and construction. In addition, if we expand our operations internationally in future, we may become subject to more stringent environmental regulatory regimes, from both Indian and other governmental authorities. We consider the preservation of the environment to be an important factor to be taken into account in carrying out our construction activities, whether domestically or abroad.

For more information on the regulations and policies in India that govern the construction activities of the Company, see the section "Regulations and Policies" beginning on page 112 of this Red Herring Prospectus.

Intellectual Property

The Company was the registered owner of trade marks in respect of the "Maytas" name, its old corporate logo and the name along with the logo. The Company was also the registered copyright holder in respect of the "Maytas" name, its old corporate logo and the name along with the logo. Pursuant to two deeds of assignment, each dated February 28, 2007, the Company assigned these registered trade marks and registered copyrights in favour of Maytas Holdings Private Limited, a Promoter Group Company, for a one time consideration of Rs. 500.0. The "Maytas" name and corporate logo are currently licenced to us in India only, pursuant to a trade mark licence agreement dated April 20, 2007, by Maytas Holdings Private Limited, a Promoter Group company. Maytas Holdings Private Limited has applied for registration of another corporate logo in classes 16, 19, 21, 25, 35, 36, 37 and 42 pursuant to application Nos. 1529186 to 1529193 dated February 8, 2007, filed with the Trade Marks Registry, Chennai. Maytas Holdings Private Limited has also applied for registration of a new corporate logo in classes 16, 19, 21, 25, 35, 36, 37 and 42 pursuant to an application Nos. 1599384 to 1599391 dated September 7, 2007, filed with the Trade Marks Registry, Chennai. For further details, see the section "Government and Other Approvals — Intellectual Property Related Approvals" beginning on page 268 of this Red Herring Prospectus.

Insurance

Our principal types of insurance coverage include All Risk Insurance Policies, fire insurance, personal accident coverage insurance, money insurance, plant and machinery insurance, car insurance and transit insurance. Our insurance policies may not be sufficient to cover our economic losses. For further details, see the section "Risk Factors" beginning on page xiii of this Red Herring Prospectus. As at March 31, 2007, there were 34 projects under execution aggregating Rs. 22,995.82 million, of which eighteen projects Rs. 20,240.68 million were covered under our All Risk Insurance Policies.

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other *force majeure* events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage.

In addition to the policies mentioned above, we also maintain workmen's compensation policies and mediclaim policies. We believe that the amount of insurance presently maintained by us and our group companies represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India.

Insurance during the construction phase typically includes the following:

- an erection all risk policy for construction activities during the construction period covering all risks associated with construction;
- an advanced loss of profits policy for a possible loss of revenues in the event of delayed completion of the project arising out of physical damage to its property;
- a Marine Delayed Start-Up policy, which covers loss of revenues arising out of any delay in completion of the project due to accidents occurring during transportation;
- a medical claims policy and a personal accident policy;
- Third party Liability Insurance;
- Workmen's compensation and employer's liability insurance;
- Plant and equipment insurance including transit insurance;
- Professional indemnity insurance; and
- Motor own damage and liability insurance.

Human Resources

As of June 30, 2007, the Company employed approximately 1,400 employees. Of these employees, 82.0% are professional engineers. The members of our professional staff have a wide range of prior experience. In addition to salary and allowance, we provide our employees medical, leave and retirement benefits, which include gratuity. Our workforce has grown rapidly over our last three fiscal years, from 98 in fiscal 2004 to 148 in fiscal 2005 and 372 in fiscal 2006. We also hire sub-contractors that utilise temporary or casual labour, especially for construction activities.

Our employees are not covered by any collective bargaining agreements. We have not experienced any material strikes, work stoppages, labour disputes or actions by or with our employees, and we consider our relationship with our employees to be good.

Legal Proceedings

We are involved from time to time in litigation incidental to our business. While we cannot predict the outcome of any pending or future litigation, examination or investigation, based on the amounts sought in pending actions against us and our history of resolving litigation, as well as the advice of legal counsel, we do not believe that any pending legal matter will have a material adverse effect on our business, financial condition or results of operations. For details, see the section "Outstanding Litigation and Material Developments" beginning on page 256 of this Red Herring Prospectus for a detailed list of legal proceedings involving us.

Risk Management

We are exposed to specific risks in connection with the management of our investments and the environment within which we operate. Our goal in risk management is to ensure that we understand, measure and monitor the various risks that arise and that our organisation adheres, as far as reasonably and practically possible, to the policies and procedures which are established to address these risks. We are primarily exposed to credit risk, market risk (including liquidity risk, interest rate risk and foreign exchange risk), operational risk and legal risk. We focus on monitoring credit and market risks, as well as portfolio and operational risks, through senior management personnel in each of our businesses. Legal risk is subject to the review of our legal department and external advisors. For a detailed discussion of these market risks and how they are expected to impact our liquidity and capital resources, see the section "Management's Discussion and Analysis of Financial Condition and Results of Operations - Quantitative and Qualitative Disclosure about Market Risk" beginning on page 237 of this Red Herring Prospectus.

Health, Safety and Environment

We aim to comply with applicable health, safety and environmental regulations and other requirements in our operations and also maintain adequate workmen's compensation, group medical insurance and personal accident insurance policies. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to management, employees and sub-contractors. Project managers appointed by us for a project are principally responsible for ensuring that safety standards are met at the relevant project sites.

Our environmental management policy requires compliance with local, state and central laws and regulations concerning environmental protection and related matters. Environmental legislation in India includes the Environment Protection Act, 1986, as amended, the Water (Prevention and Control of Pollution) Act, 1974, as amended and the Air (Prevention and Control of Pollution) Act, 1981, as amended. Detailed rules and regulations have been prescribed under these acts, including rules governing the management of hazardous waste and management of noise pollution. We believe we are in compliance, in material respects, with applicable health, safety and environment laws and regulations.

REGULATIONS AND POLICIES

Set forth below are certain significant regulations that govern our business:

Foreign Ownership

Under the Industrial Policy and FEMA, foreign direct investment of up to 100% is permitted in construction and related engineering services.

Further, the Industrial Policy now also permits foreign direct investment under the automatic route in projects for construction and maintenance of roads, highways, toll roads, vehicular bridges, ports and harbours. Similarly up to 100% foreign direct investment is also allowed in projects for electricity generation, transmission and distribution produced in hydroelectric power plants, coal/lignite based thermal plants and oil based thermal power plants.

Subject to certain conditions and guidelines, the Industrial Policy and FEMA further permit up to 100% foreign direct investment 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 investing companies in the infrastructure or services sector, where there is a prescribed cap for foreign investment, only the direct investment is considered for the prescribed cap and foreign investment in an investing company will not be counted towards this cap provided the foreign direct investment in such investing company does not exceed 49.0% and the management of the investing company is with the Indian owners.

Pursuant to A.P. (DIR Series) Circular No. 16 dated October 4, 2004, the RBI has granted general permission for the transfer of shares of an Indian company by Non-Residents to residents, subject to the terms and conditions, including pricing restrictions, specified in the abovementioned circular.

Investment by Foreign Institutional Investors

Foreign Institutional Investors (“FIIs”) including institutions such as pension funds, mutual funds, investment trusts, insurance and reinsurance companies, international or multilateral organisations or their agencies, foreign governmental agencies, foreign central banks, asset management companies, investment managers or advisors, nominee companies and institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended. The initial registration and the RBI’s general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards the sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24.0% of the paid-up capital of the company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The aggregate FII limit for Maytas Infra is currently 24.0% of its issued Equity Shares, and it has not obtained board or shareholders approval to increase such limit to the maximum of 100% that may be permitted for Maytas Infra. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account, should not exceed 10.0% of the total paid-up capital of that company.

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;
- Inter State Migrant Workers Act, 1979;
- Factories Act, 1948;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Payment of Gratuity Act, 1972;
- Minimum Wages Act, 1948;
- Shops and Commercial Establishments Acts, where applicable;
- Environment Protection Act, 1986 and Environment (Protection) Rules, 1986;
- Water (Prevention and Control of Pollution) Act, 1974;
- Air (Prevention and Control of Pollution) Act, 1981;
- Hazardous Waste (Management and Handling) Rules, 1989; and
- Hazardous Chemicals Rules, 1989.

A brief description of certain labour legislation is set forth below:

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "CLRA"), requires establishments that employ or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour.

The CLRA requires the principal employer of an establishment to which the CLRA applies to make an application to the registering 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 licence and not to undertake or execute any work through contract labour except under and in accordance with the licence issued.

To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor including the establishment of canteens, rest rooms, drinking water, washing facilities, first aid facilities, 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 imposed for contravention of the provisions of the CLRA.

The Buildings and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

The Buildings and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, as amended (the "Construction Workers Act"), provides for regulation of employment and conditions of service of building and other construction workers including safety, health and welfare measures in every establishment which employs or employed during the preceding year, 10 or more workers. However, it does not apply in respect of residential houses constructed for one's own purpose at a cost of less than Rs. 1.0 million and in respect of other activities to which the provisions of the Factories Act, 1948 and the Mines Act, 1952 apply. Each establishment to which the Construction Workers Act applies must be registered within a period of 60 days from the commencement of work. Further, every employer must give notice of commencement of building or other construction work 30 days in advance.

Comprehensive health and safety measures for construction workers have been provided through the Building and Other Construction Workers (Regulation of Service and Conditions of Service) Central Rules, 1998. The Construction Workers Act provides for constitution of safety committees in every establishment employing 500 or more workers with equal representation from workers and employers in addition to appointment of safety officers qualified in the field. Any violation of the provisions for safety measures is punishable with imprisonment for three months or a fine of a maximum of Rs. 2,000 or both. Continuing contraventions attract an additional fine of Rs. 100 per day. The Construction Workers Act also provides for penalties for failure to give notice of commencement of building or other construction work and obstruction of inspection, enquiry, etc.

Factories Act, 1948

The Factories Act, 1948, as amended (the "Factories Act"), defines a 'factory' to be any premises on which on any day in the previous 12 months, 10 or more workers are or were working and on which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the 'occupier' of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions.

If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment for a term of up to two years or with a fine up to Rs. 100,000 or with both, and in case of contravention continuing after conviction, with a fine of up to Rs. 1,000 per day of contravention. In case of a contravention which results in an accident causing death or serious bodily injury, the fine shall not be less than Rs. 25,000 in the case of an accident causing death, and Rs. 5,000 in the case of an accident causing serious bodily injury.

Minimum Wages Act, 1948

State governments may stipulate the minimum wages applicable to a particular industry. The minimum wages may consist of a basic rate of wages and a special allowance; or a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities; or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any.

Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government. Contravention of the provisions of this legislation may result in imprisonment for a term up to six months or a fine up to Rs. 500 or both.

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, as amended (the "Bonus Act"), an employee in a factory or in any establishment where 20 or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus.

Contravention of the provisions of the Bonus Act by a company is punishable with imprisonment for a term of up to six months or a fine of up to Rs. 1,000 or both, against persons in charge of, and responsible to the company for the conduct of the business of the company at the time of contravention.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972, as amended (the "Gratuity Act"), an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement or resignation, superannuation or death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs. 350,000.

An employee in a factory is said to be 'in continuous service' for a certain period notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. The employee is also deemed to be in continuous service if the employee has worked (in an establishment that works for at least six days in a week) for at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning.

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (the "ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (the "EPF Act") provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

HISTORY AND CERTAIN CORPORATE MATTERS

The Company was incorporated as Satyam Constructions Private Limited on May 6, 1988 under the Companies Act. It became a deemed public company with effect from July 1, 1993 under Section 43A(1A) of the Companies Act and the word "private" was deleted from its name. The name of the Company was changed to "Maytas Infra Limited" pursuant to a special resolution of the shareholders of the Company at an EGM held on May 6, 1998. The fresh certificate of incorporation consequent upon the change of name was granted on June 1, 1998 by the RoC. The Company became a private limited company on May 7, 2002 pursuant to Section 43A(2A) of the Companies Act and the word "private" was added to its name. Subsequently, pursuant to a special resolution of the shareholders of the Company at an extraordinary general meeting held on December 30, 2006, the Company has become a public limited company and the word "private" has been deleted from its name. The certificate of incorporation to reflect the new name was issued on February 9, 2007, by the RoC.

The registered office of the Company was shifted with effect from December 22, 1988 from 5-9-12, 2nd Floor, Samrat Complex, Saifabad, Hyderabad – 500 004, to 2nd Floor, Mayfair Trade Centre, 1-8-303/34/1, S.P. Road, Secunderabad – 500 003, by a Board resolution dated December 15, 1988. The registered office of the Company was shifted to 2nd Floor, KPR House, S.P. Road, Secunderabad – 500 003 by a Board resolution dated July 31, 1995. The registered office of the Company was shifted with effect from June 30, 1997 to 3rd Floor, Gautam Towers, S.P. Road, Secunderabad – 500 003 by a Board resolution dated June 25, 1997. The registered office of the Company was shifted with effect from August 17, 1998 to 6-3-1186/5/A, Beside Grand Kakatiya Hotel, Somajiguda, Hyderabad – 500 082 by a Board resolution dated July 22, 1998. The registered office of the Company was shifted to 6-3-1186/5/A, III Floor, Amogh Plaza, Begumpet, Hyderabad – 500 016 by a Board resolution dated November 24, 1998.

Major Events

Date	Events
1994	A joint venture was entered with Sri Shankaranarayana Construction Company and Trafalgar House Construction (Tunneling), U.K., which pre-qualified for the work of Muran dam and Tunnel of UIHP, Orissa.
1996	The Company obtained a Letter of Intent to set up a 330MW power plant at Peddapuram, East Godavari District and a special purpose vehicle, Gautami Power Limited, was incorporated to execute this project.
1998	In joint venture with IJM Corporation Bhd., Malaysia, Mumbai-Pune Expressway (Section A) (13,232 Kms) and the Chennai Bypass (Phase-I) projects were awarded.
1999	In joint venture with Sri Shankaranarayana Construction Company, Bangalore, new works of Kalpong HE Project, NHPCL, Andaman and Nicobar Islands, and Larji HE Project, HPSEB, were awarded.
2001	In joint venture with Sri Shankaranarayana Construction Company, Bangalore, the Narmada Canal works were awarded.
2002	The Company was awarded upgradation of the road project from Kalmala Junction to Sindhnur in a joint venture with NCC.The Company was awarded the contract for civil and hydro-mechanical works for Head Race Tunnel and associated works in Himachal Pradesh and entered into a joint venture, "HIMACHAL JV", with Sri Shankaranarayana Construction Company and NCC.
2003	The Company entered into a joint venture, "NCC-Maytas (JV)", with NCC. The joint venture was awarded the "Singapore Class Township" at Pocharam from CESMA, Singapore.The Company was awarded an ISO 9001-2000 Certification by American Quality Assessors with effect from February 28, 2003.The Company received an award, the "Fastest Growing Construction Company - 1st Rank", for the year 2003 from "Construction World" magazine.
2004	The Company entered into a joint venture with Sri Shankaranarayana Construction Company and was awarded the construction of the Kumaradhara Pasupudhara Dams (with ancillary works) at Tirumala Hill,

	Andhra Pradesh.The Company incorporated a special purpose vehicle, Brindavan Infrastructure Company Limited, along with NCC and KMC Constructions Limited.
2006	The Company received an award, the "Fastest Growing Construction Company – 3rd Rank", for the year 2006 from "Construction World" magazine.
2007	The Company entered into a memorandum of understanding with Dhabi Contracting Est. and established a joint venture company, Dhabi Maytas Contracting LLC in United Arab Emirates.

Main Objects

The main objects of the Company as contained in its Memorandum of Association are:

1. To take over the business carried on by SATYAM CONSTRUCTION COMPANY having its Office at 5-9-12, 2nd floor, Samrat Complex, Saifabad, Hyderabad – 500 004 as a going concern with all its existing assets and liabilities and to continue to carry on the existing construction activity of Satyam Construction Company at Podagada and Kapur dams in Orissa.

2. To carry on the business undertaking all types of Civil Contractors, Consultants, Fabricators, Electrical and Mechanical Works, Civil Constructions, Projects Construction, Dam Construction, Supply works, Railway works, Military works and other Engineering works of Central Government, State Government, Public Corporations, Public Limited Companies, Municipalities, Parishads and with such local bodies or authorities or individuals and to undertake Manufacturing activity of Construction equipment, implements and other commodities used in Civil Engineering, Mechanical Construction works etc.

3. To carry on the activities of Construction, Execution, Undertaking, Running, Acquiring, Maintaining, Remodeling, Altering, Developing, Taking on lease, Purchasing or Acquiring under any other terms and conditions, any hospitals, clubs, tanks, hotels, schools, restaurants, baths, places of worship, amusements, gardens, libraries, reading rooms, stadium, pavilions, shops, garages, multistoreyed complexes, parking spaces, dairy farms or otherwise assist or work in association with any other person or firm or corporation or company in any of the above or other undertakings and do any other act for the purposes of construction, erection, demolition, removal, maintenance, improvement, administration, assessment, development, survey, working, analysing, controlling or management thereof.

4. To enter into contracts, agreements, arrangements, sub-contracts, with Central or State Governments, Public or Private Undertakings Organisations, Boards or Authorities, Municipal, Revenue, Local or otherwise for undertaking of Civil, Electrical, Mechanical including fabrication and manufacturing of all machinery, equipment that may be installed and used in construction activity of all types of Dams, Projects, Bridges, Channels, Tunnels, Canals, Roads, Buildings, Multistoreyed Complexes and Civil works, Road Making including all types of Earth work, Machinery works, Electrical works, Plumbing and other works.

5. To promote and develop infrastructure projects within the country or outside in various areas like State and National Highways, Auto Bahns, Flyovers, Elevated Roads, Toll Roads, Expressways, Road Over Roads (ROR) Airport Runways, Light Rail Transit Systems (LRTS), Mass Rapid Transit Systems (MRTS), Railways, Via Ducts, Metro Railways (underground); Sea Ports & Airports; Power Plants (thermal - based on fuels like Coal, Naphtha, Condensate, LNG and other Petro products, mini & major hydel; Pumped storage Schemes and non-conventional energy based); construct Transmission Lines, and take over distribution of power, purchase power from generators and distribute to consumers over the distribution network, own and/or operate Power Plants, Telecommunication systems (basic, cellular, paging, wireless, satellite based and others); Hotels (medium to large); Software technology & industrial parks; Water Supply, Sewerage and Public Health Schemes; Pipeline Projects; underwater/underground tunnels; Irrigation schemes; Railway and Road Over Bridges; Fuel Terminals (like that of Naphtha, LNG, Superior Kerosene, Diesel, Petrol, Aviation Fuel, NG and others); sports stadium; warehouse complexes and any other projects directly or indirectly associated with infrastructural facilities, on Build, Own, Operate (BOO), Build, Own and Transfer (BOT), Build, Own, Operate & Transfer (BOOT), Build, Own, Operate, Lease & Transfer(BOLT), Build, Own, Operate, Share & Transfer (BOOST) or any other similar scheme.

6. To take up turnkey contracts within the country and outside involving Engineering, Consultancy, Procurement, Construction, Project Management & Completion in various sectors like power, on-shore oil & gas, refinery, fertilisers, chemicals, petrochemicals, sea & air ports and such other industries; engage in Process Design, Front End Engineering, Detailed Engineering, Construction Supervision and associated activities necessary for Turnkey Contracts; undertake Operations & Maintenance of such Turnkey Projects after completion and/or of projects completed by other contractors for any utility companies or other process industries or projects.

Amendments to the Memorandum of Association of the Company

Since the incorporation of the Company, the following changes have been made to its Memorandum of Association:

Date	Nature of Amendment
September 27, 1991	Increase of authorised share capital from Rs. 5,000,000 to Rs. 10,000,000.
September 25, 1992	Increase of authorised share capital from Rs. 10,000,000 to Rs. 15,000,000.
July 1, 1993	Change of name from "Satyam Constructions Private Limited" to "Satyam Constructions Limited" as the Company became a deemed public company pursuant to Section 43A(1A) of the Companies Act.
March 14, 1994	Increase of authorised share capital from Rs. 15,000,000 to Rs. 22,500,000.
October 20, 1994	Increase of authorised share capital from Rs. 22,500,000 to Rs. 50,000,000.
March 30, 1998	Increase of authorised share capital from Rs. 50,000,000 to Rs. 80,000,000.
May 6, 1998	The shareholders of the Company adopted a special resolution to change the name of the Company from "Satyam Construction Limited" to "Maytas Infra Limited". The certificate of incorporation was amended to reflect this change on June 1, 1998.
January 30, 1999	Increase of authorised share capital from Rs. 80,000,000 to Rs. 100,000,000.
March 30, 1999	Amendment of clause 3 to enlarge the objects clause of the Company to include promotion and development of infrastructure and turnkey projects as the main object of the Company.
May 7, 2002	Pursuant to the repeal of the "deemed public company" provisions under the Companies Act, the Company converted into a private limited company pursuant to Section 43A(2A) of the Companies Act and its name was changed from "Maytas Infra Limited" to "Maytas Infra Private Limited".
December 30, 2006	The shareholders of the Company adopted a special resolution to convert the Company into a public limited company and change the name to "Maytas Infra Limited". The certificate of incorporation was amended to reflect this change on February 9, 2007.
December 30, 2006	Increase of authorised share capital from Rs. 100,000,000 to Rs. 750,000,000.

Subsidiaries, Joint Ventures, Associates and Others

The Company has the following Subsidiaries, Joint Ventures and Associates and also has a strategic investment in Gautami Power:

Subsidiaries

The following are subsidiaries of the Company:

1. Maytas (Singapore) Holding Pte. Ltd.
2. Infratrade FZE

Joint Ventures

The following are unincorporated joint ventures in our construction business:

1. NCC-Maytas JV, Pocharam
2. NEC-NCC-Maytas JV
3. Himachal JV
4. Maytas-SNC JV
5. Maytas-Shankaranarayana JV
6. Maytas- NCC JV
7. NCC-Maytas JV, Manavi

Associates

The following are associates of the Company as considered by the management of the Company under Accounting Standard 23 ("AS-23"), and are companies in our infrastructure development business:

1. Brindavan Infrastructure Company Limited
2. Western UP Tollway Limited
3. Himachal Sorang Power Private Limited
4. Bangalore Elevated Tollway Limited
5. SV Power Private Limited
6. KVK Nilachal Power Private Limited
7. KVK Power & Infrastructure Private Limited
8. Pondicherry-Tindivanam Tollway Limited
9. Dhabi Maytas Contracting LLC
10. Cyberabad Expressways Private Limited
11. Hyderabad Expressways Private Limited

Others

The following is an entity in which the Company has an equity investment of 19.2% as of March 31, 2007:

1. Gautami Power Limited

Subsidiaries

Maytas (Singapore) Holding Pte. Ltd.

Maytas (Singapore) Holding Pte. Ltd. ("Maytas Singapore Holding") was incorporated on March 14, 2007 for the purpose of holding investments in subsidiaries and joint venture companies. The registered address of Maytas Singapore Holding is 47 Hill Street, # 06-02, Singapore Chinese Chamber of Commerce & Industry Building, Singapore - 179 365.

Shareholding Pattern

The equity shares of Maytas Singapore Holding are not listed on any stock exchange. The shareholding pattern of Maytas Singapore Holding as of March 31, 2007 was as follows:

Name of Shareholder	No. of shares	% of Issued Capital
Shares of face value $ 1		
Maytas Infra	1	100.00
Total	**1**	**100.00**

Maytas Infra has acquired one share of Maytas Singapore Holding in the last six months.

Board of Directors

The board of directors of Maytas Singapore Holding comprises the following:

1. B. Teja Raju
2. P.K. Madhav
3. Kan Mun Leong Eddie

Financial Performance

The financial statements of Maytas Singapore Holding are not available as it was incorporated in March, 2007.

Maytas Singapore Holding is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Infratrade FZE

Infratrade FZE was incorporated in Ras Al Khaimah, United Arab Emirates, in the Ras Al Khaimah Free Trade Zone as a Free Zone Establishment with limited liability on February 13, 2007. The nature of business activity of Infratrade FZE as per the license issued to Maytas Infra is trading in building and construction materials. The license has been issued on March 21, 2007 and is valid until March 20, 2008.

The address of Infratrade FZE is RAK Free Trade Zone, P.O. Box 10559, Ras Al Khaimah, United Arab Emirates. Its registration number is RAKFTZA-FZE-2699.

Shareholding Pattern

The equity shares of Infratrade FZE are not listed on any stock exchange. Maytas Infra is the registered holder of one share of AED 100,000, representing 100% of the share capital of Infratrade FZE. *Board of Directors/Manager*As a Free Zone Establishment, Infratrade FZE does not have a board of directors. It has a Manager, who is Mr. Mallikarjun Penamatsa.

Financial Performance

For the period between February 13 and March 31,

	2007 UAE Dirhams	**2007**(1) Rs.
Income/Sales	-	-
Profit (Loss) after Tax	-	-
Equity Share Capital	100,000	1,186,920
Reserves and surplus (excluding revaluation reserves)	(32,558)	(386,437.41)
Earnings (Loss) per share	-	-
Book Value per share	-	-
Total Assets	100,150	1,188,700.38

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(1) Solely for convenience translation, at an exchange rate of Rs. 11.8692 = 1 UAE Dirham (as of March 31, 2007). These financial statements of Dhabi Maytas Contracting LLC have been translated into Rupees solely to comply with the requirements of Clause 6.8.4 of the SEBI Guidelines. Investors should not rely on such translated amounts. The translation should not be considered as a representation that such UAE Dirham amounts have been, could have been or could be converted into Rupees at any particular rate, the rate stated, or at all.

Infratrade FZE is an unlisted company and has not completed any public issue (including any rights issue to the public) in the three years preceding the Red Herring Prospectus. It has not become a sick company under SICA, is not under winding up and does not have a negative net worth.

Joint Ventures

NCC-Maytas JV, Pocharam

NCC and Maytas Infra entered into an unincorporated joint venture, NCC-Maytas JV, on February 14, 2003, for construction of the "Singapore-class Township" at Pocharam near Hyderabad, Andhra Pradesh ("NCC-Maytas JV, Pocharam"). The project is in the nature of a sub-contract awarded to the joint venture by Cesma-Hua Kok-Yiong Sen-Ndeo Construction (India) Private Limited. The principal office of the joint venture is 41, Nagarjuna Hills, Hyderabad – 500 082, Andhra Pradesh, India.

As of March 31, 2007, each of NCC and Maytas Infra hold a 50.0% participation interest in the joint venture.

Financial Performance

The following table sets forth NCC-Maytas JV, Pocharam's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands)

	For the period ended March 31		
	2005	2006	2007
Income/Sales	925,054	62,187	14,977
Profit (Loss) after Tax	42,659	(908)	(3,098)
Total Assets	83,294	76,851	17,152

NEC-NCC-Maytas JV

Navayuga Engineering Company Limited ("NEC"), NCC and Maytas Infra entered into an unincorporated joint venture, NEC-NCC-Maytas JV, on November 4, 2004, for construction of pumping stations of Bheema Lift Irrigation Project, village Panchadevapadu, Makthal Mandal, Mehboobnagar District, Andhra Pradesh. NEC is the partner in-charge of the joint venture. The principal office of the joint venture is VI-1, Dhruvastara, 6-3-652, Somajiguda, Hyderabad – 500 082, Andhra Pradesh, India.

As of March 31, 2007, NEC holds a 50.0% participation ratio and each of NCC and Maytas Infra hold a 25.0% participation ratio in the joint venture.

Financial Performance

NEC-NCC-Maytas JV commenced operations in fiscal 2006. The following table sets forth NEC-NCC-Maytas JV's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands)

	For the period ended March 31	
	2006	2007
Income/Sales	728,319	400,284
Profit (Loss) after Tax	28,567	1,149
Total Assets	210,583	217,817

Himachal JV

NCC, Sri Shankaranarayana Construction Company ("SSCC") and Maytas Infra entered into an unincorporated joint venture, Himachal JV, on August 6, 2001, for construction of civil and hydro-mechanical works under the Parbati Hydro Electric Project Stage-II. Maytas Infra is the partner in-charge of the joint venture. The principal office of the joint venture is Sri Shankaranarayana Construction Company, 25/2, Penthouse, S.N. Towers, M.G. Road, Bangalore – 560 001, Karnataka, India.

As of March 31, 2007, each of SSCC and Maytas Infra holds a 45.0% participation ratio and NCC holds a 10.0% participation ratio in the joint venture.

Financial Performance

The following table sets forth Himachal JV's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands)

	For the period ended March 31		
	2005	**2006**	**2007**
Income/Sales	778,205	873,499	887,621
Profit (Loss) after Tax	(60,176)	(13,190)	28,473
Total Assets	1,344,153	1,608,398	1,729,942

Maytas-SNC JV

Maytas Infra and SNC Power Corporation Private Limited ("SNC") entered into an unincorporated joint venture, Maytas-SNC JV, on May 13, 2006, for construction of a dam across river Krishna, near Satrasala (V) Guntur District and Damaracharala (V) of Nalgonda District, Andhra Pradesh. SNC is the partner in-charge of the joint venture. The principal office of the joint venture is 145, I Floor, Infantry Road, Bangalore - 560 001, Karnataka, India.

As of March 31, 2007, Maytas Infra and SNC hold 40.0% and 60.0% participation ratio, respectively, in the joint venture.

Financial Performance

The following table sets forth Maytas-SNC JV's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands)

	For the period ended March 31, 2007
Income/Sales	38,118
Profit (Loss) after Tax	(5,848)
Total Assets	41,766

Maytas-Shankaranarayana JV

Maytas Infra and SSCC entered into an unincorporated joint venture, Maytas-Shankaranarayana JV, on May 27, 2004, for the construction of Kumaradhara and Pasupadhara dams at Tirumala Hills, Chittoor District, Andhra Pradesh. Maytas Infra is the partner in-charge of the joint venture. The principal office of the joint venture is 6-3-1186/5/A, Amogh Plaza, III Floor, Begumpet, Hyderabad – 500 016, Andhra Pradesh, India.

As of March 31, 2007, each of Maytas Infra and SSCC holds a 50.0% participation ratio in the joint venture.

Financial Performance

The Maytas-Shankaranarayana JV commenced operations in fiscal 2006. The following table sets forth Maytas-Shankaranarayana JV's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands)

	For the period ended March 31	
	2006	**2007**
Income/Sales	41,751	137,486
Profit (Loss) after Tax	(8,472)	4,957
Total Assets	75,532	162,472

Maytas-NCC JV

The Company and NCC entered into an unincorporated joint venture, Maytas-NCC JV, on July 9, 2004, for construction of irrigation projects, on a turnkey basis to develop water resources in Andhra Pradesh. Maytas Infra is the partner in-charge of the joint venture. The principal office of the joint venture is 6-3-1186/5/A, III Floor, Amogh Plaza, Begumpet, Hyderabad – 500 016, Andhra Pradesh, India.

As of March 31, 2007, each of Maytas Infra and NCC holds a 50.0% participation ratio in the joint venture.

Financial Performance

The following table sets forth Maytas-NCC JV's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands)

	For the period ended March 31		
	2005	**2006**	**2007**
Income/Sales	3,689	2,369,934	3,152,131
Profit (Loss) after Tax	Nil	212,722	143,491
Total Assets	272,391	305,865	499,731

NCC-Maytas JV, Manavi

The Company and NCC entered into an unincorporated joint venture, Maytas-NCC JV, on August 14, 2001 for upgradation of the road from Kalmala to Sindhnur under the proposed Karnataka State Highway Improvements Project. Maytas Infra is the partner in-charge of the project ("NCC-Maytas JV, Manavi"). The principal office of the joint venture is III Floor, Amogh Plaza, Begumpet, Hyderabad – 500 016, Andhra Pradesh, India.

As of March 31, 2007, each of Maytas Infra and NCC holds a 50.0% participation ratio in the joint venture.

Financial Performance

The following table sets forth NCC-Maytas JV, Manavi's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands)

	For the period ended March 31		
	2005	**2006**	**2007**
Income/Sales	253,444	240,163	403,740
Profit (Loss) after Tax	10,153	9,216	1,365
Total Assets	2	2	2

Associates

Brindavan Infrastructure

Brindavan Infrastructure was incorporated as "Brindavan Infrastructure Company Private Limited" on November 5, 2003 under the laws of India. The company subsequently became a public limited company on April 8, 2004 and the name of the company was changed to "Brindavan Infrastructure Company Limited". Brindavan Infrastructure is principally engaged in the building, construction, ownership, operation and transfer of infrastructure and building projects. Brindavan Infrastructure has not yet commenced commercial operations and expenditure incurred has been transferred to "capital work in progress".

The registered office of Brindavan Infrastructure is located at 41, Nagarjuna Hills, Punjagutta, Hyderabad – 500 082, Andhra Pradesh. Brindavan Infrastructure was incorporated with the main object of upgrading the two-lane Bangalore-Maddur section, aggregating 62.6 kms, of the Bangalore-Mysore state highway (SH-17) to a four-lane divided carriageway on a BOT basis. On September 1, 2006 the Karnataka Road Development Corporation Limited issued a completion certificate certifying the project to be substantially completed on June 30, 2006.

Shareholding Pattern

The equity shares of Brindavan Infrastructure are not listed on any stock exchange. The shareholding pattern of Brindavan Infrastructure as of March 31, 2007 was as follows:

Name of Shareholder	No. of shares	% of Equity Ownership
Equity Shares of face value Rs. 10		
A.G.K. Raju	100	-
A.R. Raju	100	-
B. Teja Raju	100	-
M. Gautham Reddy	100	-
Maytas Infra	9,999,925(1)	33.3
KMC Constructions Limited	9,999,950	33.3
NCC	9,999,725	33.3
Total	**30,000,000**	**100.0**
Redeemable Preference Shares of face value Rs. 100		
Maytas Infra	500,000(1)	33.3
KMC Constructions Limited	500,000	33.3
NCC	500,000	33.3
Total	**1,500,000**	**100.0**

(1) These shares have been pledged in favour of the Infrastructure Development Finance Company Limited and Corporation Bank for the term loan availed by Brindavan Infrastructure.

There has been no change in the capital structure of Brindavan Infrastructure in the last six months.

Board of Directors

The board of directors of Brindavan Infrastructure comprises the following:

1. B. Teja Raju
2. B. Suryanarayana Raju
3. A.G.K. Raju
4. J.V. Ranga Raju
5. M. Gautham Reddy
6. M. Vikram Reddy

Financial Performance

The following table sets forth Brindavan Infrastructure's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands, except share data)

	For the period ended March 31		
	2005	2006	2007
Income/Sales	-	-	560,286
Profit (Loss) after Tax	-	-	176,085
Equity Share Capital	300,000	300,000	300,000
Preference Share Capital	15,000	150,000	150,000
Reserves and surplus (excluding revaluation reserves)[1]	-	-	176,085
Earnings (Loss) per share[2]	-	-	5.42
Book Value per share	-	-	-
Total Assets	1,340,240	2,300,652	2,456,962

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[1] Net of miscellaneous expenditure not written off.

[2] The face value is Rs. 10 per equity share and Rs. 100 per preference share.

Brindavan Infrastructure has not completed any public issue (including any rights issue to the public) in the three years preceding the Red Herring Prospectus. It has not become a sick company under SICA, is not under winding up and does not have a negative net worth.

Western UP Tollway

Western UP Tollway was incorporated on April 20, 2005 under the laws of India. Western UP Tollway is principally engaged in the designing, engineering, building and construction, including on a BOT basis, of road projects, infrastructure projects, building projects and civil construction works and conveniences. Western UP Tollway has not yet commenced commercial operations and expenditure incurred has been transferred to "capital work in progress".

The registered office of Western UP Tollway is located at 41, Nagarjuna Hills, Punjagutta, Hyderabad – 500 082, Andhra Pradesh. Western UP Tollway was incorporated with the main object of undertaking the project for strengthening, improvement, four-laning, operation and maintenance and tolling of 79 kms of NH-58 between Meerut and Muzaffarnagar on a BOT basis.

Shareholding Pattern

The equity shares of Western UP Tollway are not listed on any stock exchange. The shareholding pattern of Western UP Tollway as of March 31, 2007 was as follows:

Name of Shareholder	No. of shares	% of Equity Ownership
Equity Shares of face value Rs. 10		
Maytas Infra	2,458,200	30.0
Nagarjuna Infrastructure Holdings Limited	2,233,500	27.3
NCC	224,600	2.7
Gayatri Projects Limited	3,278,000	40.0
A. Ranga Raju (nominee of NCC)	100	-

Name of Shareholder	No. of shares	% of Equity Ownership
A.G.K. Raju (nominee of NCC)	100	-
B. Teja Raju (nominee of Maytas Infra)	100	-
B. Suranarayana Raju (nominee of Maytas Infra)	100	-
M.V. Srinivasa Murthy (nominee of NCC)	100	-
Y.D. Murthy (nominee of NCC)	100	-
V.V. Rama Raju (nominee of Maytas Infra)	100	-
Total	**8,195,000**	**100.0**

There has been no change in the capital structure of Western UP Tollway in the last six months.

Board of Directors

The board of directors of Western UP Tollway comprises the following:

1. A. Ranga Raju
2. A.G.K. Raju
3. B. Teja Raju
4. B. Suryanarayana Raju
5. Narayana Raju Alluri
6. Jena Brij Mohan Reddy
7. T.V. Sandeep Reddy

Financial Performance

The following table sets forth Western UP Tollway's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands, except share data)

	For the period ended March 31	
	2006	**2007**
Income/Sales	-	-
Profit (Loss) after Tax	-	-
Equity Share Capital	7,500	81,950
Reserves and surplus (excluding revaluation reserves)(1)	-	670,050
Earnings (Loss) per share(2)	-	-
Book Value per share	-	-
Total Assets	29,934	1,306,319

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 10.

Western UP Tollway has not completed any public issue (including any rights issue to the public) since incorporation. It has not become a sick company under SICA, is not under winding up and does not have a negative net worth.

Himachal Sorang Power

Himachal Sorang Power was incorporated on August 30, 2004 under the laws of India. Himachal Sorang Power has not yet commenced commercial operations and expenditure incurred has been transferred to "capital work in progress". Himachal Sorang Power is principally engaged in the generation of electrical power and development, construction, ownership, operation and transfer of power plants and transmission and distribution systems.

The registered office of Himachal Sorang Power is located at C-35, Lane II, Sector 1, Shimla - 171 079, Himachal Pradesh. Himachal Sorang Power was incorporated with the main object of building, owning, operating and maintaining a 100 MW hydro electric power project in the Kinnaur District of Himachal Pradesh.

Shareholding Pattern

The equity shares of Himachal Sorang Power are not listed on any stock exchange. The shareholding pattern of Himachal Sorang Power as of March 31, 2007 was as follows:

Name of Shareholder(1)	No. of shares	% of Equity Ownership
Equity Shares of face value Rs. 10		
B. Teja Raju (nominee of SSJV Projects Private Limited)	3,300	33.0
B. Suryanarayana Raju (nominee of Maytas Infra)	3,300	33.0
A. Ranga Raju (nominee of NCC)	3,400	34.0
Total	**10,000**	**100.0**

(1) Pursuant to a shareholders' agreement dated March 1, 2007, the equity interest of NCC is 90.0% and the Company and SSJV Projects Private Limited each holds a 5.0% equity interest in Himachal Sorang Power. The Company and SSJV Projects are required to subscribe to the capital of Himachal Sorang Power in the form of non-redeemable fully convertible debentures which will be issued at par for a consideration of Rs. 365.00 million. The debentures will carry zero coupon rate and will be converted at par into equity shares of Himachal Sorang Power after a period of two years from the commercial operations date resulting in a reduction of NCC's shareholding to 34.0% and an increase in both the Company's and SSJV Power's shareholding to 33.0%.

There has been no change in the capital structure of Himachal Sorang in the last six months.

Board of Directors

The board of directors of Himachal Sorang Power comprises the following:

1. B. Teja Raju
2. C. Manohar Shetty
3. A. Ranga Raju

Financial Performance

The following table sets forth Himachal Sorang Power's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands, except share data)

	For the period ended March 31		
	2005	**2006**	**2007**
Income/Sales	-	-	-
Profit (Loss) after Tax	-	-	-
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	-	-	-
Earnings (Loss) per share(2)	-	-	-
Book Value per share	-	-	-
Total Assets	6,062	21,010	135,640

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 10.

Himachal Sorang Power has not completed any public issue (including any rights issue to the public) since incorporation. It has not become a sick company under SICA, is not under winding up and does not have a negative net worth.

Bangalore Elevated Tollway

Bangalore Elevated Tollway was incorporated on December 26, 2005 under the laws of India. Bangalore Elevated Tollway has not yet commenced commercial operations and expenditure incurred has been transferred to "capital work in progress". Bangalore Elevated Tollway is principally engaged in the development, construction and operation of road projects, infrastructure projects and other civil construction works.

The registered office of Bangalore Elevated Tollway is located at 41, Nagarjuna Hills, Punjagutta, Hyderabad – 500 082, Andhra Pradesh. Bangalore Elevated Tollway was incorporated with the main object of upgrading the two-lane Bangalore-Maddur section (from km 11.6 to km 45.4, km 51.2 to km 59.6 and km 62.1 to km 82.5) of the Bangalore-Mysore state highway (SH-17) to a four-lane divided carriageway.

Shareholding Pattern

The equity shares of Bangalore Elevated Tollway are not listed on any stock exchange. The shareholding pattern of Bangalore Elevated Tollway as of March 31, 2007 was as follows:

Name of Shareholder	No. of shares	% of Equity Ownership
Equity Shares of face value Rs. 10		
NCC	80,000	0.9
Maytas Infra	2,982,520	33.0
Soma Enterprises Limited	3,026,685	33.5
NCC Infrastructure Holdings Limited	2,946,685	32.6
A. Ranga Raju (nominee of NCC)	200	-
Ankineedu Maganti (nominee of Soma Enterprises Limited)	200	-
B. Teja Raju (nominee of Maytas Infra)	200	-
A. Gopala Krishnam Raju (nominee of NCC)	200	-
Total	**9,036,490**	**100.0**

There has been no change in the capital structure of Bangalore Elevated Tollway in the last six months.

Board of Directors

The board of directors of Bangalore Elevated Tollway comprises the following:

1. A. Ranga Raju
2. B. Teja Raju
3. A.G.K. Raju
4. B. Suryanarayana Raju
5. M. Rajendra Prasad
6. Maganti Ankineedu

Financial Performance

The following table sets forth Bangalore Elevated Tollway's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands, except share data)

	For the period ended March 31	
	2006	**2007**
Income/Sales	-	-
Profit (Loss) after Tax	-	-
Equity Share Capital	2,408	90,365
Reserves and surplus (excluding revaluation reserves)(1)	-	-
Earnings (Loss) per share(2)	-	-
Book Value per share	-	-
Total Assets	5,934	3,679,293

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 10.

Bangalore Elevated Tollway has not completed any public issue (including any rights issue to the public) since incorporation. It has not become a sick company under SICA, is not under winding up and does not have a negative net worth.

SV Power

SV Power was incorporated on September 17, 2003 under the laws of India. SV Power has not yet commenced commercial operations and expenditure incurred has been transferred to "capital work in progress". SV Power is principally engaged in generation, accumulation and supply of electricity by setting up thermal power plants.

The registered office of SV Power is located at 6-3-1109/A/1, 3rd Floor, Navbharat Chambers, Somajiguda, Hyderabad – 500 082, Andhra Pradesh. SV Power was incorporated with the main object of setting up a 56 MW coal washery reject based power plant and a 2.5 million metric tonne per annum coal washery at Reki village, Tehsil Pali, Korba District, Chhattisgarh on a BOO basis.

Shareholding Pattern

The equity shares of SV Power are not listed on any stock exchange. The shareholding pattern of SV Power as of March 31, 2007 was as follows:

Name of Shareholder	No. of shares	% of Equity Ownership
Equity Shares of face value Rs. 10		
K. Vijaya Kumar	25,010	0.6
KVK Energy & Infrastructure Limited	3,700,000	93.1
Maytas Infra	250,000	6.3
Total	**3,975,010**	**100.0**

Maytas Infra has been allotted 250,000 shares of SV Power in the last six months.

Board of Directors

The board of directors of SV Power comprises the following:

1. K. Vijaya Kumar
2. Dr. A.M.S. Raju

Financial Performance

The following table sets forth SV Power's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands, except share data)

	For the period ended March 31		
	2005	**2006**	**2007**
Income/Sales	-	-	-
Profit (Loss) after Tax	-	-	-
Equity Share Capital	250	3,250	39,750
Reserves and surplus (excluding revaluation reserves)(1)	-	-	-
Earnings (Loss) per share(2)	-	-	-
Book Value per share	-	-	-
Total Assets	117	7,759	324,504

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 10.

SV Power has not completed any public issue (including any rights issue to the public) in the three years preceding the Red Herring Prospectus. It has not become a sick company under SICA, is not under winding up and does not have a negative net worth.

KVK Nilachal Power

KVK Nilachal Power was incorporated as Shanthi Bio-Energy Private Limited on June 6, 2001 under the laws of India. The company subsequently changed its name to KVK Nilachal Power Private Limited on March 9, 2004. KVK Nilachal Power has not yet commenced commercial operations and expenditure incurred has been transferred to "capital work in progress". KVK Nilachal Power is principally engaged in generation, accumulation and supply of electricity by setting up thermal power plants.

The registered office of KVK Nilachal Power is located at 6-3-1109/A/1, 3rd Floor, Navbharat Chambers, Somajiguda, Hyderabad – 500 082, Andhra Pradesh. KVK Nilachal Power was incorporated with the main object of setting up a coal based thermal power plant of 600 MW, consisting of two units of 300 MW each, in the state of Orissa.

Shareholding Pattern

The equity shares of KVK Nilachal Power are not listed on any stock exchange. The shareholding pattern of KVK Nilachal Power as of March 31, 2007 was as follows:

Name of Shareholder	No. of shares	% of Equity Ownership
Equity Shares of face value Rs. 10		
K. Vijaya Kumar	5,000	1.0
K. Prashanthi	5,000	1.0
KVK Energy & Infrastructure Limited	240,000	48.0
Maytas Infra	250,000	50.0
Total	**500,000**	**100.0**

Maytas Infra has been allotted 250,000 shares of KVK Nilachal Power in the last six months.

Board of Directors

The board of directors of KVK Nilachal Power comprises the following:

1. K. Vijaya Kumar
2. Dr. A.M.S. Raju
3. K. Prashanthi
4. S. Ravi Prasad

Financial Performance

The following table sets forth KVK Nilachal Power's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands, except share data)

	For the period ended March 31		
	2005	**2006**	**2007**
Income/Sales	-	-	-
Profit (Loss) after Tax	-	-	-
Equity Share Capital	100	2,500	5,000
Reserves and surplus (excluding revaluation reserves)(1)	-	-	-
Earnings (Loss) per share(2)	-	-	-
Book Value per share	-	-	-
Total Assets	1,193	713	26,139

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 10.

KVK Nilachal Power has not completed any public issue (including any rights issue to the public) in the three years preceding the Red Herring Prospectus. It has not become a sick company under SICA, is not under winding up and does not have a negative net worth.

KVK Power & Infrastructure Private Limited

KVK Power & Infrastructure Private Limited ("KVK Infrastructure") was incorporated on August 31, 2005 under the laws of India. KVK Infrastructure is principally engaged in promoting or investing in power and infrastructure projects.The registered office of KVK Infrastructure is located at 6-3-1109/A/1, 3rd Floor, Navbharath Chambers, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082. KVK Infrastructure was incorporated with the main object of making investments in Lanco Amarkantak Power Private Limited, a company that is setting up a 300 MW coal based power plant in Pathadi Village, Korba District, Chhattisgarh. *Shareholding Pattern*The equity shares of KVK Infrastructure are not listed on any stock exchange. The shareholding pattern of KVK Infrastructure as of March 31, 2007 was as follows:

Name of Shareholder	No. of shares	% of Equity Ownership
Equity Shares of face value Rs. 10		
K. Balarama Raju	5,000	0.1
K. Subhadra	5,000	0.1
Maytas Infra	4,000,000	49.9
Maruti Finance Private Limited	4,000,000	49.9
Total	**8,010,000**	**100.0**

There has been no change in the capital structure of KVK Infrastructure in the last six months.

Board of Directors

The board of directors of KVK Infrastructure comprises the following:

1. K. Balarama Raju
2. K. Subhadra

Financial Performance

The following table sets forth KVK Infrastructure's audited summary financial data in accordance with Indian GAAP:

(Rs. in thousands, except share data)

	For the period ended March 31	
	2006	**2007**
Income/Sales	-	-
Profit (Loss) after Tax	-	-
Equity Share Capital	40,100	80,100
Reserves and surplus (excluding revaluation reserves)[(1)]	-	-
Earnings (Loss) per share[(2)]	-	-
Book Value per share	-	-
Total Assets	49,490	124,228

[(1)] Net of miscellaneous expenditure not written off.
[(2)] The face value of each equity share is Rs. 10.

KVK Infrastructure has not completed any public issue (including any rights issue to the public) in the three years preceding the Red Herring Prospectus. It has not become a sick company under SICA, is not under winding up and does not have a negative net worth.

Pondicherry-Tindivanam Tollway

Pondicherry-Tindivanam Tollway was incorporated on March 27, 2007 under the laws of India. Pondicherry-Tindivanam Tollway is principally engaged in the designing, engineering, building and construction, including on a BOT basis, of road projects, infrastructure projects, building projects and civil construction works and conveniences. Pondicherry-Tindivanam Tollway has not yet commenced commercial operations and expenditure incurred has been transferred to "capital work in progress".

The registered office of Pondicherry-Tindivanam Tollway is located at 6-3-1186/5/A, III Floor, Amogh Plaza, Begumpet, Hyderabad – 500 016. Pondicherry-Tindivanam Tollway was incorporated with the main object of upgrading the existing two-lane road in the Pondicherry-Tindivanam section, aggregating 37.92 Km on NH-66 to a four-lane configuration on a BOT basis, in the state of Tamil Nadu.

Shareholding Pattern

The equity shares of Pondicherry-Tindivanam Tollway are not listed on any stock exchange. The shareholding pattern of Pondicherry-Tindivanam Tollway as of March 31, 2007 was as follows:

Name of Shareholder	No. of shares	% of Equity Ownership
Equity Shares of face value Rs. 10		
Maytas Infra	99,998	50.0
NCC	99,997	50.0
B. Teja Raju	1	-
B. Rama Raju	1	-
Yallapragada Dakshina Murthy	1	-
M.V. Srinivasa Murthy	1	-
Kanchan Roy	1	-
Total	**200,000**	**100.0**

Maytas Infra has been allotted 99,998 shares, NCC has been allotted 99,997 shares and each of B. Teja Raju, B. Rama Raju, Yallapragada Dakshina Murthy, M.V. Srinivasa Murthy and Kanchan Roy have been allotted one share of Pondicherry-Tindivanam Tollway in the last six months.

Board of Directors

The board of directors of Pondicherry-Tindivanam Tollway comprises the following:

1. A. Srimannarayana Raju
2. Kanchan Roy
3. B. Teja Raju
4. C. Suryanarayana Raju

Financial Performance

The financial statements of Pondicherry-Tindivanam Tollway are not available as it was incorporated in March, 2007.

Pondicherry-Tindivanam Tollway has not completed any public issue (including any rights issue to the public) in the three years preceding the Red Herring Prospectus. It has not become a sick company under SICA, is not under winding up and does not have a negative net worth.

Dhabi Maytas Contracting LLC

Dhabi Maytas Contracting LLC ("Dhabi Maytas") was incorporated on January 23, 2007 under the laws of United Arab Emirates. Dhabi Maytas is principally engaged in executing infrastructure projects in the United Arab Emirates.

The temporary office of Dhabi Maytas is located at P.O. Box No.34801, Abu Dhabi, United Arab Emirates.

Shareholding Pattern

The equity shares of Dhabi Maytas are not listed on any stock exchange. The shareholding pattern of Dhabi Maytas as of March 31, 2007 was as follows:

Name of Shareholder	No. of shares	% of Equity Ownership
Shares of face value AED 1,000		
Dhabi Contracting Est.	153	51.0
Maytas Infra	147	49.0
Total	**300**	**100.0**

Dhabi Contracting Est. has been allotted 153 shares and Maytas Infra has been allotted 147 shares of Dhabi Maytas in the last six months.

Board of Directors

As of the date of this Red Herring Prospectus, the board of directors of Dhabi Maytas LLC have not been appointed.

Financial Performance

The financial statements of Dhabi Maytas are available only for the period between January 23, 2007 and March 31, 2007 as it was incorporated in January, 2007.

	For the period between January 23 to March 31	
	2007	2007(1)
	UAE Dirhams	Rs.
Income/Sales	-	-
Profit (Loss) after Tax	(682,232)	(8,097,548)
Equity Share Capital	300,000	3,560,760
Reserves and surplus (excluding revaluation reserves)	-	-
Earnings (Loss) per share(2)	-	-
Book Value per share	-	-
Total Assets	465,668	5,527,107

(1) Solely for convenience translation, at an exchange rate of Rs. 11.8692 = 1 UAE Dirham (as of March 31, 2007). These financial statements of Dhabi Maytas Contracting LLC have been translated into Rupees solely to comply with the requirements of Clause 6.8.4 of the SEBI Guidelines. Investors should not rely on such translated amounts. The translation should not be considered as a representation that such UAE Dirham amounts have been, could have been or could be converted into Rupees at any particular rate, the rate stated, or at all.

Dhabi Maytas is an unlisted company and it has not completed any public issue (including any rights issue to the public) in three years preceding the Red Herring Prospectus. It has not become a sick company under SICA, is not under winding up and does not have a negative net worth.

Cyberabad Expressways

Cyberabad Expressways was incorporated on August 3, 2007 under the laws of India. Cyberabad Expressways is principally engaged in the design, construction, development, operation and maintenance of an eight lane access controlled expressway under the Phase IIA programme as an extension of Phase I of Outer Ring Road to Hyderabad City, in the State of Andhra Pradesh, India, from Kollur to Patancheru for a 11.7 KM stretch from KM 12 to KM 23.7 on a BOT basis.

Cyberabad Expressways has not yet commenced commercial operations and expenditure incurred has been transferred to "capital work in progress". The registered office of Cyberabad Expressways located at Maytas Infra Limited, 6-3-1186/5/A, III Floor, Amogh Plaza, Begumpet, Hyderabad – 500 016.

Shareholding Pattern

The equity shares of Cyberabad Expressways are not listed on any stock exchange. The shareholding pattern of Cyberabad Expressways as of the date of the Red Herring Prospectus is as follows:

Name of Shareholder	No. of shares	% of Equity Ownership
Equity Shares of face value Rs. 10		
Gayatri Projects Limited	100,000	50.0
Maytas Infra Limited	100,000	50.0
Total	**200,000**	**100.0**

Maytas Infra has been allotted 100,000 shares and Gayatri Projects Limited has been allotted 100,000 shares in the last six months.

Board of Directors

The board of directors of Cyberabad Expressways comprises the following:

1. T.V. Sandeep Kumar Reddy
2. B. Teja Raju

Financial Performance

The financial statements of Cyberabad Expressways are not available as it was incorporated in August 2007.

Cyberabad Expressways is an unlisted company and has not completed any public issue (including any rights issue to the public) in the three years preceding the Red Herring Prospectus. It has not become a sick company under SICA, is not under winding up and does not have a negative net worth.

Hyderabad Expressways

Hyderabad Expressways was incorporated on August 2, 2007 under the laws of India. Hyderabad Expressways is principally engaged in the design, construction, development, operation and maintenance of an eight lane access controlled expressway under the Phase IIA programme as an extension of Phase I of Outer Ring Road to Hyderabad City, in the State of Andhra Pradesh, India, from Bongulur to Tukkuguda for a 13 KM stretch from KM 108 to KM 121 on a BOT basis.

Hyderabad Expressways has not yet commenced commercial operations and expenditure incurred has been transferred to "capital work in progress". The registered office of Hyderabad Expressways is located at Gayatri Projects Limited, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 016.

Shareholding Pattern

The equity shares of Hyderabad Expressways are not listed on any stock exchange. The shareholding pattern of Hyderabad Expressways as of the date of the Red Herring Prospectus is as follows:

Name of Shareholder	No. of shares	% of Equity Ownership
Equity Shares of face value Rs. 10		
Gayatri Projects Limited	100,000	50.0
Maytas Infra Limited	100,000	50.0
Total	**200,000**	**100.0**

Maytas Infra has been allotted 100,000 shares and Gayatri Projects Limited has been allotted 100,000 shares in the last six months.

Board of Directors

The board of directors of Hyderabad Expressways comprises the following:

1. T.V.Sandeep Kumar Reddy
2. B. Teja Raju

Financial Performance

The financial statements of Hyderabad Expressways are not available as it was incorporated in August 2007.

Hyderabad Expressways is an unlisted company and has not completed any public issue (including any rights issue to the public) in the three years preceding the Red Herring Prospectus. It has not become a sick company under SICA, is not under winding up and does not have a negative net worth.

Others

Gautami Power

Gautami Power was incorporated on August 19, 1996 under the laws of India and commenced business with effect from August 30, 1996. The company subsequently became a public limited company on July 23, 1999 and the name of the company was changed to Gautami Power Private Limited. On June 14, 2001, the company became a deemed public company. On March 22, 2004, the name of the company was changed to Gautami Power Limited. The company is principally engaged in the generation and supply of electricity by setting up power plants using solid, liquid or gaseous fuels.

The registered office of Gautami Power is located at "Paigah House", 156-159, Sardar Patel Road, Secunderabad – 500 003. Gautami Power was incorporated with the main object of generating, harnessing, developing, purchasing, distributing and supplying electricity by setting up hydro and thermal power plants and for supplying such power to industries, the Government or any state governments, electricity boards and other consumers; to construct and operate power stations, sub-stations, transmission lines etc.; and acquiring licences granted by or entering into contracts with the Government or any state governments or municipal or local authorities for the construction, operation and maintenance of any electrical installation for the production, transmission and use of electric power.

Shareholding Pattern

The equity shares of Gautami Power are not listed on any stock exchange. The shareholding pattern of Gautami Power as of March 31, 2007 was as follows:

Name of Shareholder	No. of shares	% of Equity Ownership
Equity Shares of face value Rs. 10		
B. Jhansi Rani*	100	-
B. Nandini*	100	-
B. Radha*	100	-
B. Ramalinga Raju*	100	-
B. Rama Raju*	100	-
B. Satyanarayana Raju*	100	-
B. Suryanarayana Raju*	264,754	0.1
Unocal Bharat Limited	615	-
Veeyes Investments Private Limited*	10,072,429	2.6
Maytas Infra*	74,487,217	19.2
NCC	41,324,928	10.7
Swetha Capital Private Limited	72	-
IEMCEE INFRA (Mauritius) Limited	86,999,000	22.4
IJM Corporation Bhd.	1,000	-
GVK Power & Infrastructure Limited	174,202,550	45.0
Total	**387,353,165**	**100.00**

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* Maytas Infra, together with its affiliates, owns approximately 21.9% equity interest in Gautami Power.

There has been no change in the capital structure of Gautami Power in the last six months.

Board of Directors

The following is a list of members of the board of directors of Gautami Power as of March 31, 2007:

1. G.V. Krishna Reddy
2. G.V. Sanjay Reddy
3. Som Bhupal
4. A.A.V. Ranga Raju
5. Krishnan Tan
6. B. Teja Raju
7. K. Balrama Reddi
8. S. Madhusudan
9. A. Ramakrishna
10. A. Isaac George
11. A. Chakravarti

Financial Performance

The following table sets forth Gautami Power's summary financial data in accordance with Indian GAAP:

(Rs. in thousands, except share data)

	For the period ended March 31		
	2005	2006	2007
Income/Sales	-	-	-
Profit (Loss) after Tax	-	-	-
Equity Share Capital	1,734,020	3,086,611	3,873,532
Reserves and surplus (excluding revaluation reserves)[1]	-	-	
Earnings (Loss) per share[2]	-	-	
Book Value per share	-	-	
Total Assets	3,448,549	12,147,978	13,607,414

[1] Net of miscellaneous expenditure not written off.
[2] The face value of each equity share is Rs. 10.

Gautami Power has not completed any public issue (including any rights issue to the public) in the three years preceding the Red Herring Prospectus. It has not become a sick company under SICA, is not under winding up and does not have a negative net worth.

Shareholders' Agreements

The Company has entered into the following shareholders' agreements:

1. Shareholders' Agreement among NCC, KMC Constructions Limited and Maytas Infra

Pursuant to a shareholders' agreement dated April 29, 2004 among NCC, KMC Constructions Limited ("KMCCL") and Maytas Infra, a special purpose vehicle, Brindavan Infrastructure Company Private Limited has been incorporated for developing, designing, constructing, operating and maintaining the Bangalore-Mysore State Highway.

The special purpose vehicle became a public limited company on April 8, 2004 and the name of the company was changed to Brindavan Infrastructure Company Limited.

Shareholding Pattern: Under the terms of the shareholders' agreement, each of NCC, KMCCL and Maytas Infra holds a 33.3% interest in the joint venture as of March 31, 2007 and all increases in the capital of Brindavan Infrastructure are required to be subscribed by NCC, KMCCL and Maytas Infra in the same proportion. In the event that any of the parties do not subscribe for shares pursuant to a capital increase, the other parties have a right but not an obligation to subscribe for such unsubscribed capital, in the ratio of their respective shareholdings in the company.

Right of First Refusal: If at any time any shareholder seeks to dispose of its shareholding in Brindavan Infrastructure, it shall first offer the shares to the other shareholders in proportion to their respective shareholdings for purchase by them and/or their nominee(s) at a mutually agreed price and if the parties cannot agree, at a price to be determined by an independent chartered accountant not related to any of the shareholders or Brindavan Infrastructure.

Transfer Restrictions: None of the shareholders shall, directly or indirectly, transfer, assign, pledge, charge or otherwise dispose of any or all of its shares except with the written consent of the other shareholders. However, no prior written consent will be required for transfer of shares to an affiliate.

Management: Each of NCC, KMCCL and Maytas Infra has the right to nominate one director on the board of Brindavan Infrastructure. The board of directors shall appoint the chief executive or the managing director as the person responsible for overseeing the routine operations of Brindavan Infrastructure and/or the chief financial officer as the head of finance.

Reserved Matters: The following decisions require the prior written approval of at least 75.0% of the shareholders of Brindavan Infrastructure:

(a) amendment of the memorandum and articles of association;

(b) creation of any encumbrance on the whole or any part of the business of Brindavan Infrastructure, except in the ordinary course of business;

(c) sale, transfer, assignment, lease, mortgage or disposal in any other manner of any material part of the undertaking, except in the ordinary course of business;

(d) amalgamation or merger with any other company or business;

(e) voluntary liquidation or winding up of affairs or placing them under official management or any form of statutory management or receivership; and

(f) making any material change to the scope, nature or type of business.

Dividend: Provided that Brindavan Infrastructure has distributable profits, the shareholders agree that Brindavan Infrastructure will distribute its net profits to the shareholders, in proportion to their respective shareholding in Brindavan Infrastructure.

Term and Termination: The shareholders' agreement shall continue in full force and effect until:

(a) all the shareholders or their successors in title agree in writing to its termination;

(b) all the shares become beneficially owned by any one person;

(c) any of the parties go into liquidation/bankruptcy whether voluntary or compulsory (other than for the purpose of an amalgamation or reconstruction approved by all the shareholders); or

(d) NCC, KMCCL and Maytas Infra transfer any or all of their shares or beneficial interest in Brindavan Infrastructure to a third party.

Dispute Resolution: Any and all disputes between the parties arising out of or in connection with the shareholders' agreement (or the breach, termination or validity of the shareholders' agreement) will, so far as is possible, be settled amicably between the parties, and the parties shall use all reasonable endeavours to settle any such dispute.

In the absence of an amicable settlement within 30 days of receipt of a notice by any party from the others of any dispute (or such longer period of time as agreed by the parties), the dispute may be submitted to arbitration in accordance with the Arbitration and Conciliation Act, 1996, as amended (the "Arbitration Act"). The arbitration proceedings shall be held in Hyderabad and shall be conducted in English. The arbitration award shall be final and biding on all the parties.

2. Shareholders' Agreement among NCC, Gayatri Projects Limited, Western UP Tollway and Maytas Infra

Pursuant to a shareholders' agreement dated September 29, 2005 among NCC, Gayatri Projects Limited ("GPL"), Western UP Tollway and Maytas Infra, a special purpose vehicle Western UP Tollway will develop, design, construct, operate and maintain the Meerut-Muzaffarnagar section of National Highway-59.

Shareholding Pattern: Under the terms of the shareholders' agreement, NCC and Maytas Infra hold a 30.0% interest and GPL holds a 40.0% interest in Western UP Tollway as of March 31, 2007. In addition, all increases in the capital of Western UP Tollway to fund the development, financing, construction and operation and maintenance of the project are required to be done by a fresh issue of shares to NCC, GPL and Maytas Infra. Each of NCC, GPL and Maytas Infra are required to make the payment for the subscription of shares within a period of 10 days.

Payment of Fee to NCC: NCC has been designated as the "lead member" of the joint venture and is entitled to payment of a fee of 1.0% of the total cost of execution of the project as approved and funded by the financial institutions. The fee shall be paid in 30 monthly installments by the project company commencing from the end of the month in which the financial closure is achieved.

Shareholder Advances: If all the parties to the shareholders' agreement unanimously agree that it will be in the best interest of Western UP Tollway to obtain funding prior to the issue of shares, the board of directors of Western UP Tollway shall call upon each shareholder to make a non-interest bearing capital contribution in proportion to its equity interest in Western UP Tollway. The shareholders are required to make such capital contribution within a period of 10 days.

In the event that any of the parties do not subscribe for shares pursuant to a capital increase, the other parties have a right but not an obligation to subscribe for such unsubscribed capital, in the ratio of their respective shareholdings in Western UP Tollway.

Right of First Refusal: If at any time any shareholder seeks to dispose of its shareholding in Western UP Tollway, it shall first offer the shares to the other shareholders for purchase by them. The other shareholders shall have the right to acquire all, but not less than all of the shares, within 60 days of receipt of notice from the selling shareholder.

Transfer Restrictions: None of the parties shall transfer their shares to a third party unless such third party meets the following criteria:

(a) the third party acquires at least 20.0% equity stake in Western UP Tollway; and

(b) the third party is not a competitor in any of the businesses of any of the existing shareholders of Western UP Tollway unless otherwise mutually agreed between the parties.

Each shareholder shall have the right to transfer all or part of its shares at any time to one or more of its affiliates, which transfer may be effected in one or more separate transactions, provided that prior to any such transfer each of the following conditions shall have been met:

(a) the transferring shareholder shall provide written notice of such transfer to each other shareholder, including details of the name of the affiliate and the number of shares proposed to be transferred to such affiliate; and

(b) the affiliate to which shares are being transferred shall, prior to the registration of any shares in its name, signs a deed of accession agreeing to be bound by the terms and conditions of this agreement.

Management: Each party to the shareholders' agreement has a right to nominate three directors each on the board of directors of Western UP Tollway. The nominated directors may be removed from office for the following reasons:

(a) failure to substantially perform duties as a director;

(b) wilfully engaging in conduct which is injurious to the interest of Western UP Tollway;

(c) conviction for any crime punishable with imprisonment; or

(d) disqualification to act as a director under applicable law.

The chairman of Western UP Tollway shall be elected by the board of directors of Western UP Tollway. The chairman shall not have a casting or second vote. The managing director of Western UP Tollway shall be appointed by NCC in accordance with applicable laws.

No meeting of the board of directors can be convened unless at least one nominee director of GPL, NCC and Maytas Infra is present. All decisions of the board of directors require the affirmative vote of a majority of the directors, except in relation to reserved matters specified in the shareholders' agreement.

Reserved Matters: Prior unanimous consent of all the parties is required, until they hold a 20.0% interest, for approving reserved matters at the meeting of the board of directors or the shareholders, as applicable. Certain matters requiring unanimous consent are as follows:

(a) the increase, alteration, or reduction of Western UP Tollway's authorised and paid-up capital, the cancellation, redemption, repurchase or the issue of any share capital, or the alteration of any rights of any class of shares (other than as provided in the financing documents);

(b) the merger or consolidation of Western UP Tollway with another person or the execution of any joint venture agreement, association or profit sharing agreement with another person;

(c) the sale or lease of any fixed assets of Western UP Tollway, other than in the ordinary course of business;

(d) the creation of any security interest in the project assets (other than in favour of the lenders in connection with financing of the project);

(e) any change in the business or purpose of Western UP Tollway;

(f) the creation of any subsidiaries of Western UP Tollway;

(g) the provisions regarding the dividend policy of Western UP Tollway; and

(h) the approval of any distribution of the property or assets of Western UP Tollway to its shareholders.

All other matters may be transacted and approved by the board of directors and/or the shareholders, as the case may be, by simple majority. Once any party gives consent on a matter in a meeting of the board of directors, such party shall also vote in favour of the resolution in the shareholders' meeting.

Dividend: Provided Western UP Tollway has distributable profits, the shareholders agree that Western UP Tollway will distribute its net profits to the shareholders, in proportion to their respective shareholding.

Financing: To the extent required in connection with the financing of the project each shareholder, if required, shall (i) pledge all the shares owned by it and all rights under the shareholders' agreement as security, (ii) subordinate all of its interest under the shareholders' agreement and any claims against Western UP Tollway to the rights of the lenders, and (iii) take any other similar or related actions reasonably requested by the lenders that are usual and customary and which do not require such shareholder to grant any recourse to any of its assets other than its equity ownership in Western UP Tollway.

Events of Default: The following events shall constitute an event of default on the part of a party to the shareholders' agreement:

(a) the failure by such party to make its equity contribution or shareholders' advance in the amount and at the time required under the shareholders' agreement;

(b) a breach of the representations and warranties which (a) results in a material adverse effect on the project or (b) the defaulting party does not extinguish the liability that may arise as a result of such a breach without recourse to the project company;

(c) a material breach of any other obligations under this agreement, which breach has not been remedied within 14 days or such extended period as may, in the reasonable opinion of the parties, be required to remedy such breach, after receipt of written notice from any other party of such breach; and

(d) the institution of any bankruptcy or insolvency proceedings by or against such party or the appointment of a receiver, liquidator, assignee, trustee, or other similar official in relation to all or a substantial portion of such party's assets.

Upon the occurrence and during the continuance of an event of default, the non defaulting party shall have the right to acquire (on a pro-rata basis in accordance with each non defaulting party's respective interest) the defaulting party's right, title and interest in and to its shares of Western UP Tollway. The acquisition price for the defaulting party's interest shall be the price that a willing buyer acting on adequate information would pay a willing seller for such interest, taking into account the amount of liabilities, if any, to be assumed by the non defaulting parties in acquiring the interest. In the event that the affected parties are unable to agree on the acquisition price, such parties shall jointly appoint an independent and recognised accounting firm to determine the acquisition price, which shall be final and binding and not subject to any appeal or arbitration.

Termination: The shareholders' agreement will automatically terminate without further action on the occurrence of: (i) the dissolution or liquidation of Western UP Tollway, or (ii) any party acquiring ownership of 100% of the shares of Western UP Tollway, or (iii) the unanimous agreement of the parties.

Dispute Resolution: The authorised representatives of the parties shall co-operate, in good faith, to attempt to amicably resolve any dispute. If any party believes that such representatives cannot resolve the dispute, the managing directors/chief executives representing each of the parties to the shareholders' agreement, shall meet in person in an effort to resolve the dispute. In case the dispute is not resolved at a meeting of the managing directors/chief executives, the dispute shall be exclusively settled by arbitration by a panel of three arbitrators in accordance with the provisions and rules of the Arbitration Act. The arbitration proceedings shall be held in Hyderabad and shall be conducted in English.

Assignment: No party shall assign its rights under this agreement whether in whole or in part without the prior written consent of the other parties. Any assignment without such consent shall be null and void. All the terms of this agreement shall be binding on and inure to the benefit of the parties, their permitted assigns and successors-in-interest.

Employee Non-Solicitation: No party shall, while holding shares in Western UP Tollway, or within one year after ceasing to own shares in Western UP Tollway, directly or indirectly for itself or for any third party, solicit for hire or hire any employee of any other party for a period of one year from the date such person ceases to be in the employment of the other party or Western UP Tollway, as the case may be, except with the prior written consent of the other party or Western UP Tollway.

3. Shareholders' Agreement among Soma Enterprises Limited, NCC, Bangalore Elevated Tollway and Maytas Infra

Pursuant to a shareholders' agreement dated October 11, 2006 among Soma Enterprises Limited ("SEL"), NCC, Bangalore Elevated Tollway and Maytas Infra, a special purpose vehicle, BETL will construct the Elevated Highway Project of the Bangalore-Hosur section of National Highway-7.

Shareholding Pattern: Under the terms of the shareholders' agreement, NCC and SEL hold a 33.5% interest each and Maytas Infra holds a 33.0% interest in BETL as of March 31, 2007. In addition, all increases in the capital of BETL to fund the development, financing, construction, and operation and maintenance of the project shall be by a fresh issue of shares to NCC, SEL and Maytas Infra. Each of NCC, SEL and Maytas Infra are required to make the payment for the subscription of shares within a period of 10 days.

Shareholder Advances: If all the parties to the shareholders' agreement unanimously agree that it will be in the best interest of BETL to obtain funding prior to the issue of shares, the board of directors of BETL shall call upon each shareholder to make a non-interest bearing capital contribution in proportion to their equity interest in BETL. The shareholders are required to make such capital contribution within a period of 10 days.

In the event that any of the parties do not subscribe for shares pursuant to a capital increase, the other parties have a right but not an obligation to subscribe for such unsubscribed capital, in the ratio of their respective shareholdings in BETL.

Right of First Refusal: If at any time any shareholder seeks to dispose of its shareholding in BETL, it shall first offer the shares to the other shareholders for purchase by them. The other shareholders shall have a right to acquire all, but not less than all of the shares, within 60 days of receipt of notice from the selling shareholder.

Transfer Restrictions: None of the parties shall transfer their shares to a third party unless such third party meets the following criteria:

(a) the third party acquires at least 20.0% equity stake in BETL.

(b) the third party is not a competitor in any of the businesses of any of the existing shareholders of BETL unless otherwise mutually agreed between the parties.

Each shareholder shall have the right to transfer all or part of its shares at any time to one or more affiliates which transfer may be effected in one or more separate transactions, provided that prior to any such transfer each of the following conditions shall have been met:

(a) the transferring shareholder shall provide written notice of such transfer to each other shareholder, including details of the name of the affiliate and the number of shares proposed to be transferred; and

(b) the affiliate to which shares are being transferred shall, prior to the registration of any shares in its name, sign a deed of accession agreeing to be bound by the terms and conditions of the shareholders' agreement.

Management: Each party to the shareholders' agreement has a right to nominate two directors on the board of directors of BETL. The nominated directors may be removed from office for the following reasons:

(a) failure to substantially perform duties as a director;

(b) wilfully engaging in conduct which is injurious to the interest of BETL;

(c) conviction for any crime punishable with imprisonment; or

(d) disqualification to act as a director under applicable law.

The chairman of BETL shall be elected by the board of directors of BETL. The chairman shall not have a casting or second vote. The managing director/whole time director/chief executive officer shall be appointed in accordance with applicable laws and shall be subject to the direction, superintendence and control of the board of directors.

No meeting of the board of directors can be convened unless at least one nominee director of SEL, NCC and Maytas Infra is present. All decisions of the board of directors require the affirmative vote of a majority of the directors, except as otherwise specifically provided in the shareholders' agreement.

Reserved Matters: Prior unanimous consent of all the parties is required for approving reserved matters at the meeting of the board of directors or the shareholders, as applicable. Certain matters requiring unanimous consent are as follows:

(a) the increase, alteration or reduction of BETL's authorised and paid-up capital, the cancellation, redemption, repurchase or the issue of any share capital, or the alteration of any rights of any class of shares (other than as provided in the financing documents);

(b) the merger or consolidation of BETL with another person or the execution of any joint venture agreement, association or profit sharing agreement with another person;

(c) the sale or lease of any fixed assets of BETL other than in the ordinary course of business;

(d) the creation of any security interest in the project assets (other than in favour of the lenders in connection with financing of the project);

(e) any change in the business or purpose of BETL;

(f) the creation of any subsidiaries of BETL;

(g) the provisions regarding the dividend policy of BETL; and

(h) the approval of any distribution of the property or assets of BETL to its shareholders.

All other matters may be transacted and approved by the board of directors and/or the shareholders, as the case may be, by simple majority. Once a party gives its consent on any matter in a meeting of the board of directors, such party shall vote in favour of such resolution in the shareholders' meeting in which such matter is put to vote. In addition, the consent of the parties regarding reserved matters will only be taken where the parties hold a percentage interest of at least 20.0% in the project.

Dividend: Provided that BETL has distributable profits, the shareholders agree that BETL will distribute its net profits to the shareholders, in proportion to their respective shareholding.

Financing: To the extent required in connection with the financing of the project each shareholder, if required, shall (i) pledge all the shares owned by it and all rights under the shareholders' agreement as security, (ii) subordinate all of its interest under the shareholders' agreement and any claims against BETL to the rights of the lenders, and (iii) take any other similar or related actions reasonably requested by the lenders that are usual and customary and which do not require such shareholder to grant any recourse to any of its assets other than its equity ownership in BETL.

Events of Default: The following events shall constitute events of default on the part of a party to the shareholders' agreement:

(a) the failure by such party to make its equity contribution or shareholders' advance in the amount and at the time required under the shareholders' agreement;

(b) a breach of the representations and warranties which (i) results in a material adverse effect on the project or (ii) the defaulting party does not extinguish the liability that may arise as a result of such a breach without recourse to the project company;

(c) a material breach of any other obligations under this agreement, which breach has not been remedied within 14 days or such extended period as may, in the reasonable opinion of the parties, be required to remedy such breach, after receipt of written notice from any other party of such breach; and

(d) the institution of any bankruptcy or insolvency proceedings by or against such party or the appointment of a receiver, liquidator, assignee, trustee, or other similar official in relation to all or a substantial portion of such party's assets.

Upon the occurrence and during the continuance of an event of default, the non defaulting party shall have the right to acquire (on a pro-rata basis in accordance with each non defaulting party's respective interest) the defaulting party's right, title, and interest in and to its shares of BETL. The acquisition price for the defaulting party's interest shall be the price that a willing buyer acting on adequate information would pay a willing seller for such interest, taking into account the amount of liabilities, if any, to be assumed by the non defaulting parties in acquiring the interest. In the event that the parties are unable to agree on the acquisition price, such parties shall jointly appoint an independent and recognised accounting firm to determine the acquisition price, which shall be final and binding and not subject to any appeal or arbitration.

Termination: The shareholders' agreement will automatically terminate without further action on the occurrence of: (i) the dissolution or liquidation of BETL, or (ii) any party acquiring ownership of 76.0% of the shares of BETL, or (iii) the unanimous agreement of the parties.

Dispute Resolution: The authorised representatives of the parties shall co-operate, in good faith, to attempt to amicably resolve any dispute. If any party believes that such representatives cannot resolve the dispute, the managing directors/chief executives representing each of the parties to the shareholders' agreement, shall meet in person in an effort to resolve the dispute. In case the dispute is not resolved at a meeting of the managing directors/chief executives, the dispute shall be exclusively settled by arbitration by a panel of three arbitrators in accordance with the provisions and rules of the Arbitration Act. The arbitration proceedings shall be held in Hyderabad and shall be conducted in English.

Assignment: No party shall assign its rights under this agreement whether in whole or in part without the prior written consent of the other parties. Any assignment without such consent shall be null and void. All the terms of this agreement shall be binding on and inure to the benefit of the parties, their permitted assigns, and successors-in-interest.

Employee Non-Solicitation: No party shall, while holding shares in BETL, or within one year after ceasing to own shares in BETL, directly or indirectly for itself or for any third party, solicit for hire or hire any employee of any other party for a period of one year from the date such person ceases to be in the employment of the other party or BETL, as the case may be, except with the prior written consent of the other party or BETL.

4. Shareholders' Agreement among KVK Energy & Infrastructure Limited, Maytas Infra and KVK Nilachal Power Private Limited

Pursuant to a shareholders' agreement dated November 16, 2006 among KVK Energy & Infrastructure Limited ("KEIL"), Maytas Infra and KVK Nilachal Power Private Limited ("KNPPL"), KEIL and Maytas Infra have agreed to collaborate in developing, constructing and commissioning a 300 MW coal-based power plant in Orissa.

Shareholding Pattern: Under the terms of the shareholders' agreement, KEIL and Maytas Infra holds a 50.0% interest each as of March 31, 2007 in the equity capital of KNPPL and undertake to retain their respective shareholding until the completion of the project or as stipulated in the bid and loan documents.

Cost Overrun Support: In the event that any additional funds are required to meet the costs which exceed the estimated project cost, the parties shall contribute towards additional equity requirement or debt in proportion to their equity shareholding or in the manner decided by the board of directors of KNPPL.

Right of First Refusal: If at any time any shareholder seeks to dispose of its shareholding in KNPPL, it shall first offer the shares to the other shareholders for purchase by them. The other shareholders shall have the right to acquire all, but not less than all, of the shares within 30 days of receipt of notice from the selling shareholder.

Transfer Restrictions: Each of KEIL and Maytas Infra shall not:

(a) create any charge, mortgage, lien or pledge over or hypothecate or encumber its respective shares, except to the extent of any lender requirements;

(b) dilute their respective shareholdings in KNPPL until the completion of the project, except up to 26.0% of the total equity in the project to a strategic investor with a condition that they will continue to hold the balance equity in equal proportion; or

(c) sell their respective shareholding to any competitor, without obtaining a no objection certificate in writing from the other party.

Up to 26.0% of the total equity of KNPPL may be sold to a strategic investor prior to completion of the project and the balance equity in KNPPL shall be held in equal proportion by KEIL and Maytas Infra.

However, no prior written consent will be required by KEIL and Maytas Infra for transfer of shares to their respective affiliates.

Tag Along Rights: In the event KEIL or any of its affiliates proposes to transfer any of its shares in KNPPL to a third party, KEIL shall procure that the intended purchaser extend its offer to purchase the equity shares to Maytas Infra, on terms and conditions no less favourable than to KEIL or its affiliates. Maytas Infra shall have a right but not an obligation to accept the offer of the intended purchaser.

Management: The overall management of the affairs of KNPPL is vested with the board of directors. Each of Maytas Infra and KEIL are entitled to nominate three directors on the board of KNPPL, until they hold 10.0% interest in KNPPL.

The chairman of KNPPL shall be a joint nominee of KEIL and Maytas Infra. So long as each party continues to hold 50.0% equity interest in KNPPL, together with its affiliates, KEIL shall be entitled to appoint a managing director and a chief executive officer, after prior consultation with Maytas Infra and Maytas Infra shall be entitled to appoint a chief financial officer, after prior consultation with KEIL.

No meeting of the board of directors can be convened unless at least one nominee director of KEIL and Maytas Infra is present. All decisions of the board of directors require the unanimous voting of nominee directors of both KEIL and Maytas Infra.

Reserved Matters: Certain matters are reserved for the board of directors and cannot be delegated to any committee of the board of directors. The matters requiring unanimous consent of the board of directors are as follows:

(a) any new project, diversification, modification or any expansion of the projects;

(b) any change in the nature or scope of the project and decisions on any matter related to any event or condition, adversely affecting or delaying completion of the project or resulting in any overrun in the project cost;

(c) approval, amendment or cancellation of any of the project documents;

(d) borrowings by KNPPL, other than as part of means of finance for the projects;

(e) payment of any commission to KNPPL's promoters, directors, managers or other persons;

(f) approval of any investments/disinvestments proposals by KNPPL other than temporary investments arising out of temporary excess cash flow;

(g) action on any notice of any application for winding up or any other proceedings for the appointment of a receiver in relation to KNPPL's undertakings or assets;

(h) any action or decision in respect of labour strikes, lockouts, shutdowns, fires or any event likely to have a detrimental effect on KNPPL's profits or business and any material changes in the rate of production or sales of KNPPL; and

(i) formation of committee(s) of the board of directors.

All other matters require unanimous vote of the nominee directors of KEIL and Maytas Infra.

Events of Default: The following events shall constitute an event of default on the part of a party to the shareholders' agreement:

(a) the failure by such party to make any capital contribution to KNPPL in such amount and within such time as may be prescribed; and

(b) default in the performance or compliance with any other material obligation under the shareholders' agreement.

Upon the occurrence and during the continuance of an event of default, the defaulting shareholder shall cure the default within 30 days from the date of notice of default. In case the default is not cured within 30 days, the defaulting shareholder shall not be entitled to take or receive any dividends on or other distributions with respect to the shares and shall not be entitled to either attend or vote at any meeting of the board of directors or shareholders. In case the default is not cured within 30 days, or the non defaulting shareholder who cured the default is not fully reimbursed, the non defaulting shareholder shall have the right to acquire the defaulting shareholder's shares for a price in cash equal to 90.0% of the fair market value thereof. The non defaulting shareholder shall also have the option to sell its shares to the defaulting shareholder at 1.1 times the fair market value, as determined by the auditors of KNPPL.

Dispute Resolution: Any and all disputes between the parties arising out of or in connection with the shareholders' agreement which are not settled within 30 days shall be referred to an arbitral panel consisting of senior officials of the shareholders and KNPPL. If such a panel is unable to resolve the dispute within 30 days, the matter shall be submitted to arbitration in accordance with the Arbitration Act. The arbitral tribunal shall consist of three arbitrators with each shareholder appointing one arbitrator and both the appointed arbitrators nominating the third arbitrator, who shall be the presiding arbitrator. The arbitration proceedings shall be held in Hyderabad. The arbitration award shall be final and biding on all the parties.

Employee Non-Solicitation: No party shall, while holding shares in KNPPL, or within one year after ceasing to own shares in KNPPL, directly or indirectly for itself or for any third party, solicit for hire or hire any employee of any other party for a period of one year from the date such person ceases to be in the employment of the other party or KNPPL, as the case may be, except with the prior written consent of the other party or KNPPL.

Exclusivity: The parties agree that they shall not, without the prior consent of the other, directly or indirectly, solicit or entertain offers from any third party or entity or pursue any transaction which will conflict and/or compete with the objects and business of KNPPL.

5. Shareholders' Agreement between K. Vijay Kumar and Maytas Infra

Pursuant to a shareholders' agreement dated September 22, 2005 between K. Vijay Kumar ("KV Kumar") and Maytas Infra, a special purpose vehicle, KVK Power & Infrastructure Private Limited ("KVK Infrastructure") has been incorporated, which has invested in Lanco Amarkantak Power Private Limited, a company that is setting up a 300 MW coal based power plant in Pathadi Village, Korba District, Chhattisgarh.

Shareholding Pattern: Under the terms of the shareholders' agreement, each of KV Kumar and Maytas Infra, together with their associates, holds a 50.0% interest in the equity capital of KVK Infrastructure as of March 31, 2007 and all increases in the capital of KVK Infrastructure are required to be subscribed by KV Kumar and Maytas Infra in the same proportion. In the event that either party does not subscribe for shares pursuant to a capital increase, the other party has a right but not an obligation to subscribe for all or part of the unsubscribed capital in cash at subscription price offered to the defaulting party.

KV Kumar has unconditionally agreed to buy back the entire shareholding of Maytas Infra in KVK Infrastructure immediately upon completion of three years from the effective date (as defined under the shareholders' agreement), at a price that provides a minimum yield of 5.0% on the equity investment after adjusting for any dividends received by Maytas Infra. Maytas Infra shall have to exercise this option any time between third and fourth year from the effective date (as defined under the shareholders' agreement).

Right of First Refusal: If at any time any shareholder seeks to dispose of its shareholding in KVK Infrastructure, it shall first offer the shares to the other shareholder at a mutually agreed price and if the parties cannot agree, the price shall be determined by professional valuers appointed by KVK Infrastructure. If the other shareholder accepts the offer of the selling shareholder only in part, the selling shareholder may sell the remaining shares to a third party.

Transfer Restrictions: None of the shareholders shall create any pledge, lien or charge over, or grant any option or other rights over or dispose of any interest in any of the shares, except with the prior written consent of the other shareholder.

Tag Along Rights: If any shareholder holding more than 51.0% of the shares of KVK Infrastructure sells its shares to a third party, then the other shareholder has the option to sell its shares to the third party on the terms and conditions identical to the terms offered to the majority shareholder.

Management: Each of KV Kumar and Maytas Infra has the right to nominate three directors on the board of KVK Infrastructure. The board of directors shall appoint a chairman and a full time executive director of KVK Infrastructure. The chairman of KVK Infrastructure shall be elected by the board of directors of KVK Infrastructure. The chairman shall not have any casting vote.

No meeting of the board of directors can be convened unless at least one nominee director of KV Kumar and Maytas Infra is present. All decisions of the board of directors shall be by majority of directors.

Reserved Matters: Unanimous consent of all the directors present and voting is required for approving reserved matters. Certain matters requiring unanimous consent of directors are as follows:

(a) the sale, transfer, lease, assignment, or disposal in any other manner of a material part of its undertaking, property or assets (or any interest in them);

(b) the creation or acquisition of a subsidiary or disposing of any shares in a subsidiary;

(c) liquidating KVK Infrastructure otherwise than pursuant to the provisions of the shareholders' agreement;

(d) entering into or conducting any business or activity other than that anticipated in the shareholders' agreement;

(e) Subject to the provisions of the shareholders' agreement, altering the capital or voting structure of KVK Infrastructure, whether by:

    i. the creation or issue of any type of new shares, debentures, options or any similar instrument;

    ii. any increase, decrease, consolidation or sub-division in the authorised or issued share capital;

    iii. altering any rights attaching to shares;

    iv. issuing any shares to anyone other than a party to the shareholders' agreement;

    v. issuing any bonds and/or debentures and/or securities convertible into shares; or

    vi. issuing or authorising the issue of, delivering or granting any right, option or other commitment for the issue of any type of shares or other securities of KVK Infrastructure.

(f) changing or altering the articles and memorandum of association of KVK Infrastructure;

(g) any payment of dividend or other distribution by KVK Infrastructure;

(h) borrowing of any monies or issue of any promissory notes of any amount in any currency, except in the ordinary course of the business; and

(i) giving a guarantee or indemnity to secure the liabilities or obligations of any person (other than a subsidiary of KVK Infrastructure).

Certain reserved matters that require the unanimous consent of the shareholders are as follows:

(a) create or acquire a subsidiary or dispose of any shares in a subsidiary;

(b) liquidate KVK Infrastructure otherwise than pursuant to the provisions of the shareholders' agreement;

(c) enter into any transaction of a capital nature (including any change, variation or disinvestment other than as approved in its annual budget)

(d) alter the capital or voting structure by: (i) the creation or issue of any type of new shares, debentures, options or any similar instrument; (ii) any increase, decrease, consolidation or sub-division in the authorised or issued share capital of KVK Infrastructure; (iii) altering any rights attached to the shares; (iv) issuing any shares to anyone other than a party to the shareholders' agreement; (v) issuing any bonds and/or debentures and/or securities convertible into shares; or (vi) issuing, authorising the issue of, delivering or granting of any right, option or other commitment for the issue of any type of shares or other securities of KVK Infrastructure; (vii) change or alter the articles and memorandum of association of KVK Infrastructure.

Dividend: Each shareholder shall procure that (subject to any restrictions under the financing documents, provisions of taxation or report of auditors of KVK Infrastructure) KVK Infrastructure's profits shall be paid by way of dividend.

Deadlock: In case a matter relating to the affairs of KVK Infrastructure has been considered by the board of directors and either the opinion of the board is evenly divided or there is no resolution in respect of any of the matters which require unanimous approval of the shareholders, and the matter is not resolved within 21 days from the board meeting, the matter shall be considered as a 'deadlock'.

In case of a 'deadlock' situation, the managing directors of shareholders shall endeavour to resolve the 'deadlock'. If the 'deadlock' is not resolved, the parties shall negotiate further to ascertain if any party has decided to sell its entire shareholding in KVK Infrastructure. In case neither of the parties agrees to sell its shares, KVK Infrastructure shall convene an extraordinary general meeting of the shareholders to consider the 'deadlock'; and to place KVK Infrastructure in voluntary liquidation.

Events of Default: The following events shall constitute an event of default on the part of a party to the shareholders' agreement:

(a) any material breach of any other obligations under this agreement, which breach has not been remedied within 21 days from receipt of written notice from the other party;

(b) inability to pay debts in the normal course of business;

(c) cessation or threat to cease wholly or substantially the business of KVK Infrastructure, otherwise than for the purpose of a reconstruction or amalgamation without insolvency previously approved by the other party;

(d) taking over possession by an encumbrancer of or appointment of a receiver or trustee in relation to the whole or any part of its undertaking, property or assets;

(e) an order or resolution for winding up, otherwise than for the purpose of a reconstruction or amalgamation without insolvency previously approved by the other party; and

(f) a change of ownership or control in the party or its parent company without the prior written consent of the other party.

Upon the occurrence of an event of default, the non defaulting shareholder shall have the right to require the defaulting shareholder to sell all of its shares held or beneficially owned in KVK Infrastructure at a mutually agreed price which the auditors of KVK Infrastructure or a firm of accountants certify as the fair value, having regard to the projected earnings of KVK Infrastructure but without taking into account that the relevant shares represent a minority interest in KVK Infrastructure.

Term and Termination: The shareholders' agreement shall continue until: (i) the date on which KVK Infrastructure ceases to carry on business; or (ii) the date on which winding up of KVK Infrastructure commences; or (iii) upon either shareholder ceasing to beneficially own any of the shares of KVK Infrastructure.

Dispute Resolution: The parties shall seek to resolve any dispute among and between themselves (either at their level or at the level of the managing directors of shareholders) and in the event of a failure to mutually resolve the dispute, the dispute shall be settled by arbitration under the Arbitration Act. The decision of the arbitrators shall be final and binding.

Assignment: No party shall assign or transfer any of its rights under this agreement without the prior written consent of the other party, except to a wholly owned subsidiary or its parent company, subject to the assignor guaranteeing the due performance of the assignee's obligations. All the terms of this agreement shall operate for the benefit of and be binding on the permitted assigns and successors-in-interest of each shareholder.

6. Shareholders' Agreement among IJM Corporation Bhd., NCC, Gautami Power Private Limited, GVK Power Limited and Maytas Infra

A shareholders' agreement dated July 2, 2003 executed between IJM Corporation Bhd. ("IJM"), NCC, Gautami Power Private Limited (subsequently, converted to a public limited company and name changed to Gautami Power Limited) ("Gautami Power"), GVK Power Private Limited (subsequently, converted to a public limited company and name changed to GVK Power Limited) ("GVK") and Maytas Infra pursuant to which Gautami Power will develop, construct, own, finance, operate and maintain a combined-cycle power generating facility, with a capacity of approximately 464 MW, to be located in the East Godavari District of the state of Andhra Pradesh.

Shareholding Pattern: Under the terms of the shareholders' agreement, GVK holds a 50.0% interest in Gautami Power; Maytas Infra and IJM (through its subsidiary IEMCEE Infra (Mauritius) Limited) holds 20.0% interest each; and NCC holds a 10.0% interest. The agreement stipulates that GVK's 50.0% share shall not be diluted without its specific consent, but the other parties can *inter se* change their interests subject to an overall cap of 50.0%, prior to financial closure. After financial closure of the project, GVK's shareholding shall be increased to 51.0% either through a fresh issue of shares by Gautami Power or by a sale of the shares in Gautami Power by Maytas Infra, NCC and IJM at par value, such that Maytas Infra, NCC and IJM will readjust their shareholding to reflect the decline in their shareholding by one percent. After financial closure, the shareholders' agreement was amended on October 23, 2006, pursuant to which IJM (through its subsidiary IEMCEE Infra (Mauritius) Limited) was to hold a 20.0% interest, NCC was to hold a 9.5% interest, Maytas Infra was to hold a 19.5% interest and GVK was to hold a 51.0% interest.

In case the parties, by mutual consent, identify any other third party to participate in the development of the project by acquisition of shares in Gautami Power, the shareholders of Gautami Power will share all economic and commercial benefits arising from the participation of the third party in the ratio of their respective cash contributions towards the share capital of Gautami Power.

Pursuant to a supplementary shareholders' agreement entered into by the parties on July 3, 2003, after the commercial operations date of the project, the name of the project company will be changed to "GVK Gautami Power Private Limited".

Shareholder Advances: After GVK has equalled the capital contributions made by other shareholders in Gautami Power, if all the parties to the shareholders' agreement unanimously agree that it would be in the best interest of Gautami Power to obtain funding prior to the issue of shares, the board of directors of Gautami Power shall call upon each shareholder to make a non-interest bearing capital contribution in proportion to their equity interest in Gautami Power. The shareholders are required to make such capital contribution within a period of 10 days.

In the event that any of the parties do not subscribe for shares pursuant to a capital increase, the other parties have a right but not an obligation to subscribe for such unsubscribed capital, in the ratio of their respective shareholdings in Gautami Power. In the event that one or more of the non-defaulting shareholders among Maytas Infra, NCC and IJM are not willing to contribute, GVK shall be entitled to contribute in terms of the shareholders' agreement.

Call Option on GVK: (i) If at any time GVK does not pay the calls made on it within the time stipulated in the call letter; or (ii) at financial closure, if GVK's partly paid-up shares are not made fully paid-up by contribution by GVK of appropriate capital amounts; or (iii) if financial closure is not achieved (for reasons directly attributable to GVK) within a period of nine months or such other date as may be mutually agreed by the parties from the date from which GPL receives the initial contribution of Rs. 100.0 million from GVK, then it is to be considered as a material default on the part of GVK. In such cases, constituting events of default (i) GVK's partly paid-up shares shall remain as such until financial closure and Maytas Infra, NCC and IJM shall have the obligation to buy such partly paid-up shares from GVK at their paid-up value at financial closure; (ii) GVK shall not be entitled to sell or transfer the partly paid-up shares to any other third party except with the prior written consent of Maytas Infra, NCC and IJM and if Maytas Infra, NCC and IJM elect to give such consent they may impose any stipulations or conditions on the buyer of GVK's partly paid-up shares; (iii) the chairman and the whole time director, if any, shall cease to hold office in GPL, and the number of the GVK nominee directors on the board of directors shall be one; (iv) GVK shall hand over to Maytas Infra, NCC and IJM the effective management of GPL together with all the documents, records, accounting books etc.; (e) Maytas Infra, NCC and IJM shall be entitled to go forward with the project with such other parties as they may in their absolute discretion deem fit; (f) so long as GVK continues to have in its name, the partly paid-up shares, it shall continue to have rights under the shareholders' agreement which shall be commensurate with the cash contributed by GVK.

Right of First Refusal: If at any time any shareholder seeks to dispose of its shareholding in Gautami Power, it shall first offer the shares to the other shareholders for purchase by them. The other shareholders shall have the right to acquire all, but not less than all of the shares within 60 days of receipt of notice from the selling shareholder.

Transfer Restrictions: None of the parties shall transfer their shares to a third party unless such third party meets the following criteria:

(a) the third party acquires at least 20.0% equity stake in Gautami Power.

(b) the third party is not a competitor in any of the businesses of any of the existing shareholders of Gautami Power unless otherwise mutually agreed between the parties.

Tag Along Rights: The transferor of equity shares shall procure that the intended purchaser extend its offer to purchase the equity shares to the other shareholders, on terms and conditions no less favourable than those offered to the transferor shareholder.

Management: Under the terms of the shareholders' agreement, the overall management of the affairs of Gautami Power is vested with GVK. GVK is entitled to nominate three directors and Maytas Infra, NCC and IJM are together entitled to nominate three directors. Upon the commercial operations date of the project or the sale of 5.0% or more shares of Gautami Power to a third party, whichever is earlier, GVK is entitled to nominate one more director. In the event that any shareholder's shareholding falls below 5.0%, such shareholder will not be entitled to nominate any director to the board of directors of Gautami Power.

The nominated directors may be removed from office for the following reasons:

(a) failure to substantially perform duties as a director;

(b) wilfully engaging in conduct which is injurious to the interest of Gautami Power;

(c) conviction for any crime punishable with imprisonment; or

(d) disqualification to act as a director under applicable law.

The chairman of Gautami Power shall be elected from among the directors nominated by GVK. The chairman shall not have a casting or second vote. The company shall have a managing director, a chief financial officer and a chief technical officer. GVK shall also be entitled to appoint the managing director from among the nominee directors on the board of directors, who shall be appointed in accordance with applicable laws and shall be subject to direction, superintendence and control of the board of directors.

No meeting of the board of directors can be convened unless at least one nominee director of GVK, NCC, IJM and Maytas Infra is present. All decisions of the board of directors require the affirmative vote of a majority of the directors, except as otherwise specifically provided in the shareholders' agreement. The parties agree that GVK and/or its nominees shall have the right to operate and maintain the project and enter into an operation and maintenance agreement.

Reserved Matters: Prior unanimous consent of all the parties is required for approving reserved matters at a meeting of the board of directors or the shareholders, as applicable. Certain matters requiring unanimous consent are as follows:

(a) the increase, alteration, or reduction of Gautami Power's authorised and paid-up capital, the cancellation, redemption, repurchase or the issue of any share capital, or the alteration of any rights of any class of shares (other than as provided in the financing documents);

(b) the merger or consolidation of Gautami Power with another person or the execution of any joint venture agreement, association or profit sharing agreement with another person;

(c) the sale or lease of any fixed assets of Gautami Power other than in the ordinary course of business;

(d) creation of any security interest in the project assets (other than in favour of the lenders in connection with the financing of the project);

(e) any change in the business or purpose of Gautami Power;

(f) the creation of any subsidiaries of Gautami Power;

(g) the provisions regarding the dividend policy of Gautami Power;

(h) the approval of any distribution of the property or assets of Gautami Power to its shareholders;

(i) the terms of the investment policy of Gautami Power, except as stipulated in the financing documents;

(j) capital and revenue budgets of Gautami Power and any variations in excess of 5.0% of such budgets; and

(k) any request for a capital contribution.

All other matters may be transacted and approved by the board of directors and/or the shareholders, as the case may be, by simple majority. Once a party gives its consent on any matter in a meeting of the board of directors, such party shall vote in favour of such resolution in the shareholders' meeting in which such matter is put to vote. In addition, the consent of the parties regarding reserved matters will only be taken where the parties hold a percentage interest of at least 5.0% until the commercial operations date of the project and 9.0% after the commercial operations date of the project. Further, for the purposes of reserved matters, NCC, IJM and Maytas Infra are treated as one block and consent given by any one of them shall be construed to be consent on behalf of other two shareholders as well.

Dividend: Each shareholder shall procure that (subject to any restrictions under the financing documents or any other applicable laws) the full amount of Gautami Power's profits available for distribution in respect of each financial year, after making such transfers to the reserves, as in the opinion of the board of directors is reasonable, is distributed by Gautami Power to the shareholders by way of dividend.

Financing: To the extent required in connection with the financing of the project each shareholder, if required, shall (i) pledge all the shares owned by it and all rights under the shareholders' agreement as security, (ii) subordinate all of its interest under the shareholders' agreement and any claims against Gautami Power to the rights of the lenders, and (iii) take any other similar or related actions reasonably requested by the lenders that are usual and customary and which do not require such shareholder to grant any recourse to any of its assets other than its equity ownership in Gautami Power.

Events of Default: The following events shall constitute an event of default on the part of a party to the shareholders' agreement:

(a) the failure by such party to make its equity contribution or shareholders' advance in the amount and at the time required under the shareholders' agreement;

(b) failure of Gautami Power to achieve financial closure of the project due to the reasons directly attributable to GVK within a period of six months from the effective date (as defined under the shareholders' agreement) or such other extended period as mutually agreed between the parties;

(c) a breach of the representations and warranties which (a) results in a material adverse effect on the project or (b) the defaulting party does not extinguish the liability that may arise as a result of such a breach without recourse to the project company;

(d) any material breach of any other obligations under this agreement, which breach has not been remedied within 14 days or such extended period as may, in the reasonable opinion of the parties, be required to remedy such breach, after receipt of written notice from any other party of such breach; and

(e) the institution of any bankruptcy or insolvency proceedings by or against such party or the appointment of a receiver, liquidator, assignee, trustee, or other similar official in relation to all or a substantial portion of such party's assets.

Upon the occurrence and during the continuance of an event of default, the non defaulting party shall have a right to acquire (on a pro-rata basis in accordance with each non defaulting party's respective interest) the defaulting party's right, title, and interest in and to its shares of Gautami Power. The acquisition price for the defaulting party's interest shall be the price that a willing buyer acting on adequate information would pay a willing seller for such interest taking into account the amount of liabilities, if any, to be assumed by the non defaulting parties in acquiring the interest. In the event the affected parties are unable to agree on the acquisition price, such parties shall jointly appoint an independent and recognised accounting firm to determine the acquisition price, which shall be final and binding and not subject to any appeal or arbitration. In addition, in case of an event of default arising from a breach of the representations and warranties provided by the other shareholders in (iii) above, GVK shall have the right at its option and IJM, NCC and Maytas Infra shall have the obligation to purchase all the shares subscribed by GVK at its paid-up value at any time on or prior to the financial closure or procure any third party to purchase the same.

Termination: The shareholders' agreement will automatically terminate without further action on the occurrence of: (i) the dissolution or liquidation of Gautami Power, or (ii) any party acquiring ownership of 100% of the shares of Gautami Power, or (iii) the unanimous agreement of the parties.

Dispute Resolution: The authorised representatives of the parties shall co-operate, in good faith, to attempt to amicably resolve any dispute. If any party believes that such representatives cannot resolve the dispute, the senior most officers representing each of the parties to the shareholders' agreement, shall meet in person in an effort to resolve the dispute. In case the dispute is not resolved at such meeting, the dispute shall be exclusively settled by arbitration by a panel of five arbitrators in accordance with the provisions and rules of the Arbitration Act. IJM, NCC, GVK and Maytas Infra shall appoint one arbitrator each and the said four arbitrators shall appoint the fifth arbitrator. The arbitration proceedings shall be held in Hyderabad and shall be conducted in English. The award of arbitration shall be final and binding on the parties.

Employee Non-Solicitation: No party shall, while holding shares in Gautami Power, or within one year after ceasing to own shares in Gautami Power, directly or indirectly for itself or for any third party, solicit for hire or hire any employee of any other party for a period of one year from the date such person ceases to be in the employment of the other party or Gautami Power, as the case may be, except with the prior written consent of the other party or Gautami Power.

7. Shareholders' Agreement among NCC, SSJV Projects Private Limited, Himachal Sorang Power and Maytas Infra

Pursuant to a shareholders' agreement dated March 1, 2007, among NCC, SSJV Projects Private Limited ("SSJV"), Himachal Sorang Power and Maytas Infra, a special purpose vehicle, Himachal Sorang Power will construct a 100 MW hydro electric power plant on Sorang Khad in the Kinnaur district of Himachal Pradesh. The shareholders' agreement was amended pursuant to an amendment agreement dated June 4, 2007.

Shareholding Pattern: Under the terms of the shareholders' agreement, NCC will hold a 90.0% equity interest and each of SSJV and Maytas Infra will hold 5.0% equity interest in Himachal Sorang Power. Each of SSJV and

Maytas Infra are required to subscribe to the capital of Himachal Sorang Power in the form of non-redeemable fully convertible debentures which will be issued at par for a consideration of Rs. 365.0 million. The debentures will carry zero coupon rate and will be converted at par into equity shares of Himachal Sorang Power after a period of two years from the commercial operations date resulting in reduction of NCC's shareholding to 34.0% and each of SSJV and Maytas Infra's shareholding shall increase to 33.0%. The debentures will be secured by mortgage/hypothecation of immovable/movable property and other assets of the company. In the event the company needs additional funding, each of NCC, SSJV and Maytas Infra are required to contribute in equal proportion.

Cost Overrun Support: In the event that any additional funds are required to meet the costs which exceed the estimated project cost, the parties have agreed to provide project completion support of a maximum of 20.0% of the civil costs, a maximum of 10.0% of the electrical and mechanical costs as budgeted in the project cost in proportion to their equity shareholding or in the manner decided by the board of directors of Himachal Sorang Power and cost overrun towards the Transmission Cost as per the provisions stipulated under Sponsor Support Undertaking/Agreement to be executed at a later date in favour of the lenders /agent of the project. The parties have agreed that the expenditure incurred until the financial closure of the project shall be shared in equal proportion.

Right of First Refusal: If at any time any shareholder seeks to dispose of its shareholding in Himachal Sorang Power after financial closure of the project, it shall first offer the shares to the other shareholders for purchase by them. The other shareholders shall have the right to acquire all, but not less than all, of the shares within 60 days of receipt of notice from the selling shareholder.

Transfer Restrictions: Each of NCC, SSJV and Maytas Infra shall not create any charge, mortgage, lien or pledge over or hypothecate or encumber its respective shares, except to the extent of any lender requirements. NCC, SSJV and Maytas Infra shall maintain a minimum of 51.0% equity in Himachal Sorang Power during the currency of loans availed by Himachal Sorang Power.

Management: The overall management of the affairs of Himachal Sorang Power is vested with the board of directors. Each of NCC, SSJV and Maytas Infra is entitled to nominate one director on the board of directors.

The chairman of Himachal Sorang Power shall be appointed on a rotational basis with the concurrence of all the parties. No meeting of the board of directors can be convened unless at least one nominee director of NCC and Maytas Infra is present. An audit committee, whose chairman will be the nominee of NCC, is required to be appointed by the board of directors to oversee all matters relating to the accounts of Himachal Sorang Power.

Reserved Matters: Certain matters are reserved for the board of directors and cannot be delegated to any committee of the board of directors. Certain matters requiring unanimous consent of the nominee directors of NCC, SSJV and Maytas Infra directors are as follows:

(a) any new project, diversification, modification or any expansion of the projects;

(b) any change in the nature or scope of the project and decisions on any matter related to any event or condition, adversely affecting or delaying completion of the project or resulting in any overrun in the project cost;

(c) approval, amendment or cancellation of any of the project documents;

(d) provisions relating to dividend policy of Himachal Sorang Power;

(e) borrowings by Himachal Sorang Power, other than as part of means of finance for the projects;

(f) payment of any commission to Himachal Sorang Power's promoters, directors, managers or other persons;

(g) approval of any investments/disinvestments proposals by Himachal Sorang Power other than temporary investments arising out of temporary excess cash flow;

(h) action on any notice of any application for winding up or any other proceedings for the appointment of a receiver in relation to Himachal Sorang Power's undertakings or assets;

(i) any action or decision in respect of labour strikes, lockouts, shutdowns, fires or any event likely to have a detrimental effect on Himachal Sorang Power's profits or business and any material changes in the rate of production or sales of Himachal Sorang Power;

(j) formation of committee(s) of the board of directors;

(k) appointment of chief executive officer, chief finance officer and approval of organisation structure;

(l) sale or lease of any fixed assets of Himachal Sorang Power other than in the ordinary course of business;

(m) creation of security interest in Himachal Sorang; and

(n) approval of the annual budget and business plan.

Events of Default: The following events shall constitute events of default on the part of a party to the shareholders' agreement:

(a) the failure by such party to make any capital contribution to Himachal Sorang Power in such amount and within such time as may be prescribed; and

(b) default in the performance or compliance with any other material obligation under the shareholders' agreement.

Upon the occurrence and during the continuance of an event of default, the defaulting shareholder shall cure the default within 30 days from the date of notice of default. In case the default is not cured within 30 days, the defaulting shareholder shall not be entitled to take or receive any dividends on or other distributions with respect to the shares and shall not be entitled to either attend or vote at any meeting of the board of directors or shareholders. In case the default is not cured within 30 days, or the non defaulting shareholder who cured the default is not fully reimbursed, the non defaulting shareholder shall have the right to acquire the defaulting shareholder's shares for a price in cash equal to 85.0% of the fair market value thereof. The non defaulting shareholder shall also have the option to sell its shares to the defaulting shareholder at 1.15 times the fair market value, as determined by the auditors of Himachal Sorang Power.

Dispute Resolution: Any and all disputes between the parties arising out of or in connection with the shareholders' agreement which are not settled within 30 days shall be referred to an arbitral panel consisting of senior officials of the shareholders and Himachal Sorang Power. If such a panel is unable to resolve the dispute within 30 days, the matter shall be submitted to arbitration in accordance with the Arbitration Act. The arbitral tribunal shall consist of three arbitrators with each shareholder appointing one arbitrator and both the appointed arbitrators nominating the third arbitrator, who shall be the presiding arbitrator. The arbitration proceedings shall be held in Hyderabad. The arbitration award shall be final and biding on all the parties.

Employee Non-Solicitation: No party shall, while holding shares in Himachal Sorang Power, or within one year after ceasing to own shares in Himachal Sorang Power, directly or indirectly for itself or for any third party, solicit for hire or hire any employee of any other party for a period of one year from the date such person ceases to be in the employment of the other party or Himachal Sorang Power, as the case may be, except with the prior written consent of the other party or Himachal Sorang Power.

Exclusivity: The parties agree that they shall not, without the prior consent of the others, directly or indirectly, solicit or entertain offers from any third party or entity or pursue any transaction which will conflict and/or compete with the objects and business of Himachal Sorang Power.

Memorandum of Understanding

The Company has entered into the following significant memorandum of understanding:

1. Memorandum of Understanding between K. Vijay Kumar, SV Power Private Limited and Maytas Infra

Pursuant to a Memorandum of Understanding ("MoU") dated December 29, 2005 among K. Vijay Kumar ("KV Kumar"), SV Power Private Limited ("SV Power") and Maytas Infra, the parties have agreed to set up a

2 x 50 MW coal washery reject based power plant in Chhattisgarh, India. In the first phase, SV Power proposes to set up a 56 MW power plant and a 2.5 MTPA coal washery, which KV Kumar and Maytas Infra have agreed to develop jointly.

Shareholding Pattern: Under the terms of the memorandum of understanding, each of KV Kumar and Maytas Infra shall hold 50.0% in the equity capital of SV Power. In case any equity is offered to a strategic investor, KV Kumar and Maytas Infra shall hold equal shares in the remaining equity. However, a maximum of 50.0% of the equity of SV Power may be offered to a strategic investor.

Management: Each of KV Kumar and Maytas Infra has the right to nominate an equal number of directors to the board of directors. If the board of directors is expanded to include independent directors and institutional investors, the parties shall share the remaining vacancies equally.

Investment: The parties reserve the right to invest in SV Power either directly or through their partners and also share their rights and obligations under the MoU with such partners or associates.

Development Expenditure: KV Kumar shall be responsible for the development of the project, in consultation with Maytas Infra. A budget shall be drawn up by a project management committee consisting of one representative each of KV Kumar and Maytas Infra and the project's development expenditure shall be shared equally between KV Kumar and Maytas Infra.

Termination: The MoU shall be terminated if the parties are unable to fulfil their respective obligations within the mutually agreed time period. Upon termination, all rights in the project company shall vest with KV Kumar.

Assignment: None of the parties shall assign or purport to assign or transfer any rights or obligations under the MoU without the prior written consent of the other parties. The MoU shall be binding upon and inure to the benefit of the parties and their permitted assigns and legal successors.

2. Memorandum of Understanding between Dhabi Contracting Est. and Maytas Infra

Pursuant to a memorandum of understanding dated September 1, 2006 between Dhabi Contracting Est. ("Dhabi Contracting") and Maytas Infra, the parties have agreed to set up a joint venture with its place of business in Dubai or Abu Dhabi.

In relation to projects in the Middle East, Maytas Infra will be responsible for recruiting the manpower, including the senior management team for leading the project and Dhabi Consulting will be responsible for securing the contracts.

In relation to projects in India, Maytas Infra will be responsible for securing business, recruiting the manpower, including the senior management team for leading the project and Dhabi Consulting will provide technical expertise and its share of equity contribution.

Each party shall participate in the projects on an equal basis, unless otherwise agreed between the parties to the memorandum of understanding.

Management: Each of Dhabi Contracting and Maytas Infra has the right to nominate two directors on the board of directors of the joint venture company. The general manager or chief executive officer shall be appointed in accordance with applicable laws.

Term: The memorandum of understanding shall be valid for a period of three years and may be extended for further periods by mutual written agreement.

Dispute Resolution: Any disputes between the parties shall be settled by arbitration under the rules of London Court of International Arbitration.

OUR MANAGEMENT

Under the Articles of Association, the Company cannot have lesser than three directors and more than 12 directors. The Company currently has five directors.

The following table sets forth details regarding the Board of Directors as of the date of this Red Herring Prospectus.

Name, Designation, Father's Name, Occupation, Term and Director Identification Number ("DIN")	Age	Address	Other Directorships
R.C. Sinha *Chairman* *Independent and Non-Executive Director* S/o M.B. Srivastava Business Term: Liable to retire by rotation DIN: 00051909	69	22, Buena Vista Gen. J Bhosle Marg Mumbai – 400 021 India	• IL&FS Transportation Networks Limited • Bengal Ambuja Housing Development Limited • West Bengal Housing Infrastructure Development Corporation Limited • Overseas Infrastructure Alliance (India) Private Limited • Swarna Tollways Private Limited • Roman Tarmant Limited • Indu Projects Limited • Maharashtra Airport Development Company Limited
B. Teja Raju *Vice Chairman* *Non-Independent and Executive Director* S/o B. Ramalinga Raju Business Term: For a period of five years with effect from June 18, 2005 DIN: 00333111	28	Plot no. 1254A, Road No. 63 Jubilee Hills Hyderabad – 500 033 India	• Anuradha Bio-Tech Private Limited • Bangalore Elevated Tollway Limited • Bharani Agro Private Limited • Brindavan Infrastructure Company Limited • BRNR Agro Private Limited • BRNR Holdings Private Limited • Chitravati Agro-Farms Private Limited • Coastline Greenlands Private Limited • Continental Thermits Private Limited • Cyberabad Expressways Private Limited • Dhanista Bio-Tech Private Limited • Gautami Power Limited • Himachal Consortium Power Projects Private Limited • Himachal Sorang Power Private Limited • Hyderabad Expressways Private Limited • Maytas Hill County Private Limited • Maytas Holdings Private Limited • Maytas Infrasys Private Limited • Maytas Infratech Private Limited • Maytas Projects Private Limited • Maytas Properties Private Limited • Maytas (Singapore) Holding Pte. Ltd. • Mitravinda Agro-Farms Private Limited • Narmada Greenlands Private Limited • Revathi Bio-Tech Private Limited

Name, Designation, Father's Name, Occupation, Term and Director Identification Number ("DIN")	Age	Address	Other Directorships
			• Samrat Marine Products Private Limited • SNR Investments Private Limited • SRSR Advisory Services Private Limited • SSJV Projects Private Limited • Vamsadhara Agro Private Limited • Vindhya Bio-Tech Private Limited • Vindhya Greenlands Private Limited • Vishnupadi Greenlands Private Limited • Western UP Tollway Limited • Maytas Ventures SEZ Private Limited • Maytas Hill County SEZ Private Limited • Vajra Seaport Private Limited
P.K. Madhav *Non-Independent and Executive Director* S/o P. Krishnaswamy Business Term: For a period of five years with effect from December 30, 2006 DIN: 00830450	53	8-2-293/82/573/L, Road No. 82 Jubilee Hills Hyderabad – 500 033 India	• Maytas (Singapore) Holding Pte. Ltd. • Sukh Shanti Homes Private Limited
C.S. Mohan *Independent Director* S/o C. Venkata Reddy Business Term: Liable to retire by rotation DIN: 01263797	67	503, My Home Fern Hill Apartments 6-3-891/1, Rajbhavan Road, Somajiguda Hyderabad – 500 082 India	• Aashakiran Enterprises Private Limited • Pranavsree Technologies Private Limited
Dr. R.P. Raju *Independent Director* S/o R. Seetharama Raju Business Term: Liable to retire by rotation DIN: 01274920	59	Plot No.141, Road No.10 Jubilee Hills Hyderabad – 500 034 India	• Srusmitha Estates Private Limited • Smitha Estates Private Limited • Srujatha Estates Private Limited

Brief Profile of the Directors

R.C. Sinha, 69 years, is the Chairman of the Company. He joined the Company in December 2006. He holds a law degree from the Delhi University and has a post-graduate diploma in urban development from the London University. He joined the Indian Administrative Services in 1962. From 1975 to 1982 he served as the Deputy Secretary and as the Director in the Ministry of Surface Transport and as an Executive Director, Association of State Road Transport Undertaking. From 1984 to June 1985 he served as the Secretary, Rural Development, Government of Maharashtra. From June 1985 to 1990 he served as the Joint Secretary in the Ministry of Information & Broadcasting, in-charge of radio and television. From 1990 to 1994 he was the Vice Chairman and Managing Director, City & Industries Development Corporation, Maharashtra. From 1994 to 1996 he was the Additional Chief Secretary, Urban Development and prior to that he was the Additional Chief Secretary, Revenues & Forest Department, Government of Maharashtra. From 1997 to 2000 he served as the Vice Chairman and Managing Director of the Maharashtra State Road Development Corporation Limited. From 2000 to 2004 he served with the Government of Andhra Pradesh in the capacity of Director General, National Academy of Construction (N.A.C.), Hyderabad as the Special Chief Secretary. From August 2003 to May 2004 he served as Senior Advisor to the Government of Goa as the Special Chief Secretary. He has been the vice chairman and managing director of the Maharashtra Airport Development Company Limited since 2004. Mr. R.C. Sinha is a non-executive Director and does not receive any compensation except sitting fees.

B. Teja Raju, 28 years, is the executive Vice Chairman of the Company. He joined the Company in July, 2001. He holds a bachelor's degree in Computer Science and Engineering from PSG College of Technology, Coimbatore and a master's degree in Electronic Commerce from Carnegie Mellon University, Pittsburgh, USA. He has approximately six years of experience in Maytas Infra Limited in the construction and infrastructure development industry and is an active member of the Young Entrepreneurs Organisation. His compensation in the year ended March 31, 2007 was Rs. 1.81 million.

P.K. Madhav, 53 years, is the whole time director on the Board of the Company. He joined the Company in October 2006. He holds a bachelor's degree in commerce from University of Delhi and a master's degree in business management from the Faculty of Management Studies. He is also a member of the Institute of Company Secretaries of India, New Delhi. He has approximately 31 years of experience in finance, corporate planning and operations management. Prior to joining the Company, from 1975 to 1978 he worked with IDL Chemicals, Hyderabad as the Deputy Manager – Finance. From 1978 to 1982 he worked with Radiant Cables Limited as Financial Controller. From 1982 to 2001 he worked with Nagarjuna Fertilizers and Chemicals Limited as the Director – Finance. From 2001 to 2002 he was the President of Bharat Aluminium Company. From 2002 to 2006 he worked with the Byrraju Foundation as Director and Lead Partner. He was part of the management team that was responsible for formulating the group's strategic initiatives. He is currently responsible for overall operations of the Company. His compensation in the year ended March 31, 2007 was Rs. 1.17 million.

C.S. Mohan, 67 years, is an independent director on the Board of the Company. He joined the Company in January 2007. He holds a graduate degree in metallurgical engineering from the Banaras Hindu University. He has post graduate diplomas in business management from the Institute of Management Studies, New Delhi and in international trade from the Board of Trade, Government of Australia. He has also completed the Advanced Management Program and the International Senior Management Program from Harvard Business School. He is presently working as an international management consultant in the fields of information technology and infrastructure for the past ten years. He was Chairman and Managing Director of the National Mineral Development Corporation for five years. He worked with the Steel Authority of India Limited for 32 years in the fields of production, engineering, research and development, marketing, international trade and general management. He has approximately 45 years of experience in international trade, engineering and management. Mr. C.S. Mohan is a non-executive Director and does not receive any compensation except sitting fees.

Dr. R.P. Raju, 59 years, is an independent director on the Board of the Company. He joined the Company in January 2007. He holds a bachelor's degree in medicine from Rangaraya Medical College, Kakinada and a graduate degree from Madras Medical College, Chennai. He has approximately 32 years of experience in medical practice, planning, management and administration. He is a member of the American College of Radiology, the American Medical Association, the American College of Radiation Oncology and the American Cancer Society. Dr. R.P. Raju is a non-executive Director and does not receive any compensation except sitting fees.

Terms and Conditions of Employment of Executive Directors

B. Teja Raju, our Vice Chairman, was originally appointed on July 13, 2001 and reappointed on June 18, 2005 for a period of five years. He is liable to retire on June 18, 2010. He will be paid remuneration in the sum of Rs. 1.6 million per annum and other statutory benefits including contributions to a provident fund, gratuity and reimbursement of expenses incurred by him in the discharge of his duties.

P.K. Madhav, our whole time director, was appointed on December 30, 2006 for a period of five years and is liable to retire on December 30, 2011. He will be paid remuneration in the sum of Rs. 2.5 million per annum and other statutory benefits including contributions to a provident fund, gratuity and reimbursement of expenses incurred by him in the discharge of his duties.

Terms and Conditions of Employment of Non-Executive Directors

The Company will, subject to the provisions in the Companies Act and the applicable listing agreements, pay each non-executive Director sitting fees for Board and committee meetings. The Company will, in accordance with the Company's expenses policy from time to time, reimburse the non-executive Directors for all receipted out of pocket business expenses necessarily incurred by them in the proper performance of their duties. They may also be paid commission and any other amounts as may be decided by the Board in accordance with the provisions of the Articles of Association, the Companies Act and any other applicable Indian laws and regulations.

Borrowing Powers of the Directors in the Company

Pursuant to a resolution of the shareholders of the Company dated March 30, 2007, the Board has been authorised to borrow sums of money for the purpose of the Company upon such terms and conditions and with or without security as the Board may think fit, provided that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed, at any time, a sum of Rs. 25,000.0 million.

Shareholding of the Directors

The Articles of Association do not require the Directors to hold any qualification Equity Shares in the Company. The following table details the shareholding of the Directors in their personal capacity, as at the date of this Red Herring Prospectus.

Name of Shareholder	Equity Shares owned before the Issue		Equity Shares owned after the Issue	
	No. of shares	% of paid-up capital	No. of shares	% of paid-up capital
B. Teja Raju	1,490,000	3.0	1,490,000	2.5
Total	**1,490,000**	**3.0**	**1,490,000**	**2.5**

Interest of Promoters, Directors and Key Managerial Personnel

Except as stated in the section "Related Party Transactions" beginning on page 211 of this Red Herring Prospectus, and to the extent of compensation and commission, if any, and their shareholding in the Company, the Promoters do not have any other interest in our business.

All of the 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 the Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company.

The Directors may also be regarded as interested in the Equity Shares or options under the ESOP 2007, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of the 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. Other than as disclosed in this Red Herring Prospectus, none of the Directors are entitled to receive remuneration from the Company. For further details, see the sections "— Terms and Conditions of Employment of Executive Directors" and "— Terms and Conditions of Employment of Non-Executive Directors" above.

Except as stated in the section "Related Party Transactions" and to the extent of their shareholding in the Company, the Directors other than the Promoters do not have any other interest in our business.

The Directors have no interest in any property acquired by the Company or its Subsidiaries within two years of the date of filing of this Red Herring Prospectus.

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

Corporate Governance

The provisions of the listing agreements to be entered into with the Stock Exchanges with respect to corporate governance become applicable to the Company at the time of seeking in-principle approval of the Stock Exchanges. The Company has taken steps to comply with such provisions, including with respect to the appointment of independent Directors to the Board and the constitution of the following committees of the Board: the Audit Committee, the Remuneration Committee and the Shareholders/Investors Grievance Committee. The Company undertakes to take all necessary steps to comply with all the requirements of the guidelines on corporate governance and adopt the corporate governance code as per Clause 49 of the listing agreement to be entered into with the Stock Exchanges, as would be applicable to the Company upon the listing of its Equity Shares.

The Board has five Directors and the Chairman of the Board is a non-executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, the Company has (i) not less than 50% non-executive Directors and (ii) at least one third independent Directors on the Board.

Audit Committee

The Audit Committee was constituted by the Directors at a Board meeting held on February 10, 2007 and re-constituted at a Board meeting held on May 14, 2007. 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 constitution of the Audit Committee is as follows:

Name of the Director	Executive/Non-executive/Independent
C.S. Mohan (Chairman)	Independent director
Dr. R.P. Raju	Independent director
P.K. Madhav	Executive director

The terms of reference of the Audit Committee are as follows:

- Regular review of accounts, accounting policies and disclosures;
- Review the major accounting entries based on exercise of judgment by management and review of significant adjustments arising out of audit;
- Review any qualifications in the draft audit report;
- Establish and review the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board;

- Upon completion of the audit, discussions with the independent auditors to ascertain any area of concern;
- Establish the scope and frequency of the internal audit, review the findings of the internal auditors and ensure the adequacy of internal control systems;
- Examine reasons for substantial defaults in payment to depositors, debenture holders, shareholders and creditors;
- Examine matters relating to the Director's Responsibility Statement for compliance with Accounting Standards and accounting policies;
- Oversee compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable;
- Examine any related party transactions, i.e., transactions of the Company that are of a material nature with promoters or management, relatives, etc., that may have potential conflict with the interests of the Company;
- Appointment and remuneration of statutory and internal auditors; and
- Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement.

Remuneration Committee

The Remuneration Committee was constituted by the Directors at a Board meeting held on February 10, 2007 and re-constituted at a Board meeting held on May 14, 2007. The Remuneration 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 constitution of the Remuneration Committee is as follows:

Name of the Directors	Executive/Non-executive/Independent
R.C. Sinha (Chairman)	Independent director
Dr. R.P. Raju	Independent director
C.S. Mohan	Independent director

The terms of reference of the Remuneration Committee are as follows:

- Determine the remuneration, review performance and decide on variable pay of executive Directors;
- Establish and administer employee compensation and benefit plans;
- Determine the number of stock options to be granted under the Company's Employees Stock Option Schemes and administer any stock option plan; and
- Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement.

Shareholders and Investors Grievance Committee

The Shareholders and Investors Grievance Committee was constituted by the Directors at a Board meeting held on February 10, 2007 and re-constituted at a Board meeting held on May 14, 2007. The Shareholders and Investors Grievance Committee is responsible for the redressal of investor grievances.

The constitution of the Shareholders and Investor Grievance Committee is as follows:

Name of the Directors	Executive/Non-executive/Independent
Dr. R.P. Raju (Chairman)	Independent director
B. Teja Raju	Executive director
P.K. Madhav	Executive director

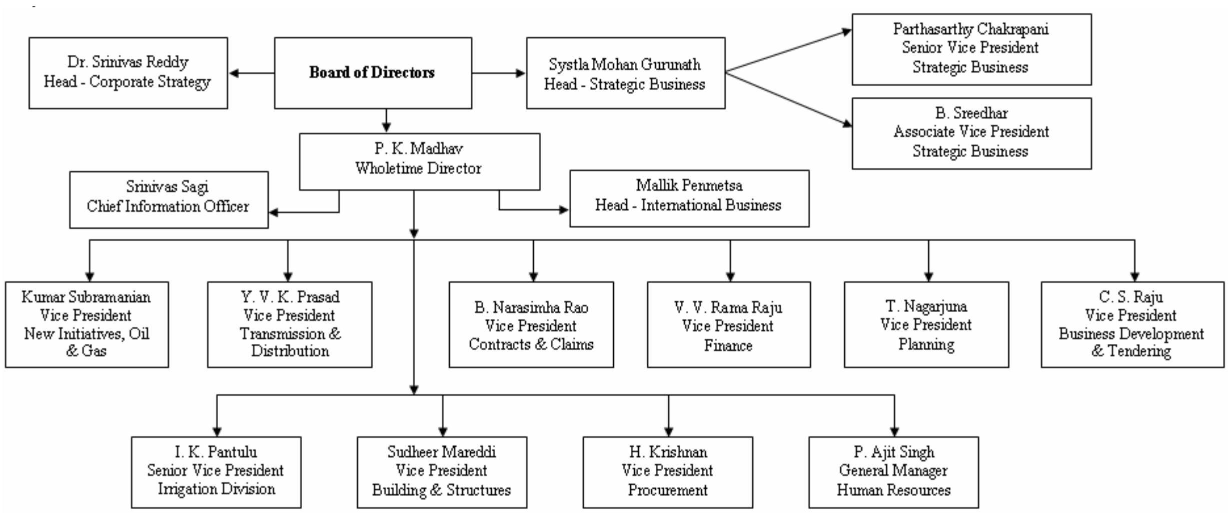
The terms of reference of the Shareholders and Investor Grievance Committee are as follows:

- Supervise investor relations and redressal of investors' grievance in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet in particular;
- Approve the transfer and transmission of shares from time to time;
- Delegate the powers to the Registrar of the Company for transfer, transmission of shares from time to time in accordance with the regulatory requirement; and
- Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement.

Changes in the Board of Directors during the last three years

Name	Date of Appointment	Date of Cessation	Reason
B. Teja Raju	July 13, 2001	-	Appointment
P.K. Madhav	October 30, 2006	-	Appointment
R.C. Sinha	December 30, 2006	-	Appointment
C.S. Mohan	January 2, 2007	-	Appointment
Dr. R.P. Raju	January 2, 2007	-	Appointment
B. Rama Raju (Sr.)	May 6, 1988	October 30, 2006	Resignation
B. Suryanarayana Raju	May 6, 1988	December 30, 2006	Resignation

Group Organisational Structure



Key Managerial Personnel

The key managerial personnel of the Company are as follows:

I.K. Pantulu, 60 years, is the Senior Vice President, Irrigation division of the Company. He joined the Company in 1993. He holds a bachelor's degree in civil engineering from the University of Andhra Pradesh. From 1965 to 1968 he worked with the Public Works Department, Government of Andhra Pradesh as a section officer. From 1963 to 1975 he worked with the Visakhapatnam Port Trust as an overseer. From 1975 to 1990 he worked with the National Projects Construction Corporation, a Government of India enterprise, in various capacities, including as the Deputy General Manager. He has approximately 41 years of experience in the construction industry, with particular expertise in projects and corporate management. He currently heads the irrigation business unit and has the overall responsibility for entering into contracts, business development and execution of projects. His compensation in the year ended March 31, 2007 was Rs. 1.49 million.

B. Narasimha Rao, 43 years, is the Vice President, Contracts and Claims division of the Company. He joined the Company in 1994. He holds a bachelor's degree in civil engineering from the Osmania University, Hyderabad. He has approximately 19 years of experience in the construction industry, with particular expertise in projects and corporate management. He currently heads the contract claims department. He is responsible for initiating contracts and other business development activities. His compensation in the year ended March 31, 2007 was Rs. 1.57 million.

C.S. Raju, 47 years, is the Vice President, Business Development and Tendering division of the Company. He joined the Company in 1995. He holds a bachelor's degree in civil engineering from the Bangalore University. From 1986 to 1990 he worked with Satyam Constructions. From 1990 to 1998 he worked with the Ministry of Surface Transport, Government of India in the management cadre. He has approximately 21 years of experience in the construction industry, with particular expertise in projects, business development and corporate management. He is currently responsible for developing business, tendering processes and maintaining industrial relations. His compensation in the year ended March 31, 2007 was Rs. 1.24 million.

V.V. Rama Raju, 44 years, is the Vice President, Finance division of the Company. He joined the Company in 2001. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India, New Delhi. From 1987 to 1992 he worked with Raasi Group as the Deputy Manager (Accounts and Finance). From 1992 to 1997 he worked with Bhaskar Agrochemicals Limited as the Assistant General Manager (Finance & Accounts). From 1997 to 2001 he worked with Anjani Portland Cement Limited as the General Manager (Finance). He has approximately 23 years of experience in finance and corporate management. He is currently responsible for finance, accounting and secretarial functions. His compensation in the year ended March 31, 2007 was Rs. 1.36 million.

Srinivas Sagi, 46 years, is the Chief Information Officer of the Company. He joined the Company in 2007. He holds a master's degree in industrial engineering from Arizona State University, USA. From 1999 to 2006 he worked with Johnson & Johnson, USA as Director – Supply Chain Systems. He has also worked as a consultant with Price Waterhouse Coopers. He has approximately 20 years of experience in healthcare and consulting. He is currently responsible for enterprise resource planning and monitoring. He joined the Company after March 31, 2007.

Mallik Penmetsa, 48 years, is the Head, International Business division of the Company. He joined the Company in 2007. He holds a master's degree in business administration from University of Michigan, USA. Prior to joining the Company, he worked with Cable & Wireless, Siemens and Entrepreneurial Ventures. He has approximately 25 years of experience in operations, marketing and business development. He is currently responsible for developing the corporate identity of the Company, its international operations and new business. He joined the Company after March 31, 2007.

Dr. Srinivas Reddy, 53 years, is Head-Corporate Strategy of the Company. He joined the Company in 2007. He holds a masters in philosophy degree and a doctorate in Business Administration from Columbia University. He has approximately 20 years of experience in marketing. Prior to joining the Company, he was the Robert O. Arnold Professor of Business and the Director of the Coca-Cola Centre for Marketing Studies, Terry College of Business at the University of Georgia. He has also taught at the New York University, Columbia University, UCLA and Stanford Business School and has been a consultant to various companies such as IBM, Coca Cola, Miller Brewing, Pfizer, Eli Lilly, Bristol-Myers-Squibb, Home Depot, Chase, Turner Broadcasting, United Parcel Service and the Ford Foundation. He is currently responsible for heading the Corporate Strategy division of the Company. He joined the Company after March 31, 2007.

Sudheer Mareddi, 38 years, is the Vice President, Buildings and Structures division of the Company. He joined the Company in 2007. He holds an engineering degree from BITS, Pilani. He has approximately 17 years of experience in customer relations. Prior to joining the Company, he worked for over seven years with Tata Consultancy Services and over nine years with Satyam Computer Services Limited. He is currently responsible for developing the buildings and construction division of the Company. He joined the Company after March 31, 2007.

H. Krishnan, 56 years, is the Vice President, Procurement division of the Company. He joined the Company in 2005. He holds a Bachelor of Science degree in electrical engineering from University of Delhi, New Delhi and a graduate diploma in materials management from Indian Institute of Materials Management, New Delhi. From 1972 to 1983 he worked with Engineers India Limited, Delhi as Senior Engineer. From 1983 to 1994 he worked with Tata Projects Limited, Hyderabad as Senior Manager (Procurement). From 1994 to 1997 he worked with Mid East Constructers Limited, Qatar as Procurement Manager. From 1997 to 2001 he worked with Mannai Corporation, Qatar as Procurement Manager. From 2001 to 2004 he worked with the Darwish Bin Ahmed Group of Companies, Abu Dhabi as Purchase Manager. He has approximately 34 years of experience in procurement and management of materials for construction projects. He currently heads the procurement division and is responsible for catering to the material and capital equipment and machinery requirements of various construction projects. His compensation in the year ended March 31, 2007 was Rs. 1.23 million.

Y.V.K. Prasad, 49 years, is the Vice President, Transmission & Distribution division of the Company. He joined the Company in 2005. He holds a Bachelor of Technology degree in civil engineering from Regional Engineering College, Warangal. From 1979 to 1982 he worked with Durgapur Steel Plant, West Bengal as an Engineer. From 1982 to 1984 he worked with Visakhapatnam Steel Plant as Design Engineer. From 1985 to 1990 he worked with Voltas Limited, Bombay as Sales Manager. From 1990 to 1991 he worked with Electrowatt Engineering Services, Muscat, Oman as Senior Electrical Engineer. From 1991 to 1993 he worked with Frontlines Engineers, Hyderabad as Manager (Projects & Engineering). From 1993 to 1996 he worked with the Al Hassan Group of Companies, Oman as Manager. From 1996 to 2000 he worked with Frontlines Engineers, Hyderabad as Technical & Commercial Consultant. From 2000 to 2001 he worked with Technip Mannesmann, Dubai as Coordinator. From 2001 to 2004 he worked with the Al Hassan Group of Companies, Oman as Assistant General Manager. He has approximately 26 years of experience in electrical projects and engineering and operations management. He currently heads the railways, power and water infrastructure initiatives of the Company. His compensation in the year ended March 31, 2007 was Rs. 1.89 million.

Kumar Subramanian, 52 years, is the Vice-President, New Initiatives, Oil and Gas division of the Company. He joined the Company in 2005. He holds a bachelor’s degree in electrical engineering from the Indian Institute of Technology, Chennai. He has approximately 30 years of experience in electrical and electronics engineering operations. From 1976 to 1978 he worked with Tata Engineering & Locomotive Company (TELCO). From 1978 to 1981 he worked with Larsen & Toubro Limited as Marketing Engineer (Electrical Switchgear division). From 1981 to 1986 he worked with Bhagheeratha Electrical & Structurals Limited as Technical Director. From 1986 to 1992 he worked with Bhagheeratha Energy Controls Limited as Managing Director & CEO. From 1993 to 1999 he worked with Megalux Electronic Controls Private Limited as Managing Director & CEO. From 1999 to 2003 he worked with Techni Bharathi Limited as Technical Director and CEO. From 2004 to 2005 he worked with Integra Management Services Private Limited as Managing Director. He is currently responsible for developing business in the areas of oil and gas infrastructure. His compensation in the year ended March 31, 2007 was Rs. 2.12 million.

P. Ajit Singh, 44 years, is the General Manager, Human Resources, of the Company. He joined the Company in 2005. He holds a bachelor’s degree in science from Osmania University and a master’s degree in personnel management from University of Pune. He further holds a post graduate diploma in public relations from Bhavan’s College, Hyderabad. He has approximately 22 years of experience in human resources management. From 1985 to 1990 he worked with Krishna Oberoi as Supervisor – Personnel. From 1990 to 1993 he worked with Fenner India as Personnel Manager. From 1993 to 1995 he worked with ITW Signode as Head – HR for Organisation-I. From 1995 to 1996 he worked with SOL Pharmaceuticals as Manager – HR. From 1996 to 1997 he worked with Karvy Consultants as Senior Manager – HR. From 1997 to 2001 he worked with Coke as Senior Manager – AP Region. From 2001 to 2004 he worked with Team Asia as Head – HR. From 2004 to 2005 he worked as a private consultant. He is currently responsible for human resources planning, employee performance management, industrial relations and training of employees. His compensation in the year ended March 31, 2007 was Rs. 1.46 million.

T. Nagarjuna, 46 years, is the Vice President, Planning, of the Company. He joined the Company in 2006. He completed his AMIE of civil engineering from the Institute of Engineers (India). He has approximately 23 years of experience in project and corporate management. From 1983 to 1988 he worked with Asia Foundations & Constructions Limited, Mumbai as Site Engineer. From 1988 to 2003 he worked with Larsen & Toubro Limited in various capacities, including as the Regional Projects Manager, Hydel, Nuclear & Foundation Engineering division. From 2003 to 2006 he worked with IVRCL Infrastructures & Projects Limited, Hyderabad as General Manager – Business Development, Corporate Strategy & Special Projects. He is currently responsible for review of contracts, preparation of the budgets and periodic review of progress of various projects. His compensation in the year ended March 31, 2007 was Rs. 1.55 million.

Parthasarathy Chakrapani, 46 years, is the Senior Vice President, Strategic Business division, of the Company. He joined the Company in 2006. He holds a bachelor's degree in physics from Chennai University, a bachelor's degree in electrical technology and electronics from the Indian Institute of Science, Bangalore and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. From 1983 to 1985 he worked with Voltas, Mumbai as Sales Engineer. From 1985 to 1987 he worked with Hinditron Equipment Manufacturing Company Private Limited, Chennai as an Executive (Marketing). From 1989 to 1991 he worked with Indian Market Research Bureau, Chennai as a Senior Research Executive. From 1991 to 1994 he worked with WS Industries India Limited as Manager – Corporate Planning. From 1994 to 1997 he worked with Dr. Reddy's Laboratories, Hyderabad as a Senior Manager – Corporate Planning and Information Systems. From 1997 to 2003 he worked with the GMR Group, Bangalore in various capacities, including as Vice President – Strategic Planning and Business Development. From 2003 to 2006 he worked with Electro Steel Castings Limited, Chennai as a Chief Executive (Projects). He has approximately 23 years of experience in projects, corporate planning and business development. He is currently responsible for strategic planning initiatives. His compensation in the year ended March 31, 2007 was Rs. 2.07 million.

B. Sreedhar, 40 years, is Associate Vice President, Strategic Business division, of the Company. He joined the Company in fiscal 2007. He holds a bachelor's degree in electrical engineering from Bangalore University and a diploma in business management from ICFAI University. He has approximately 17 years of experience in projects, planning and business development. Prior to joining the Company, he worked with Essar Power Limited. He is currently responsible for strategic business operations. His compensation in the year ended March 31, 2007 was Rs. 1.18 million.

Systla Mohan Gurunath, 49 years, is Head (Strategic Business). He joined the Company in fiscal 2007. He holds a bachelor's degree in Technology in Mechanical Engineering from Kakatiya University. He has approximately 28 years of experience in the banking, construction and power industries. Prior to joining the Company, he worked with Tata Power Company Limited. He is currently responsible for heading the Strategic Business division. He joined the Company after March 31, 2007.

All the key managerial personnel mentioned above are permanent employees of the Company.

Shareholding of the key managerial personnel

None of the key managerial personnel of the Company hold any Equity Shares in the Company. For details of the shareholding of the Company's directors, refer to the section "— Shareholding of the Directors" above.

Bonus or profit sharing plan for the key managerial personnel

There is no bonus or profit sharing plan for key managerial personnel of the Company. The Company has an ESOP.

ESOP

On March 30, 2007, the Company's shareholders authorised the Remuneration Committee to adopt an ESOP under which bona fide permanent employees of the Company, whether working in India or outside India, will be eligible for stock options. The issue of Equity Shares pursuant to the ESOP will be subject to compliance with all applicable laws and regulations. The aggregate number of Equity Shares to be issued under the ESOP will not exceed 2.0% of the paid-up equity share capital of the Company and the exercise price will be equal to the Issue Price.

On April 14, 2007, the Remuneration Committee adopted the ESOP 2007. Under the ESOP 2007, up to 2.0% of the paid-up equity share capital of the Company may be issued to permanent employees of the Company, whether working in India or outside India, Directors, whether whole time or not, but excludes an employee who is a Promoter or belongs to the Promoter Group and a Director, who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10.0% of the outstanding Equity Shares of the Company. Under the ESOP 2007, the exercise of the options granted is subject to the listing of the Company's Equity Shares on the Stock Exchanges, pursuant to the Issue. The ESOP 2007 will be administered by our Remuneration Committee, which shall determine the terms and conditions of the employee stock options granted from time to time.

On April 14, 2007, a grant of options to acquire an aggregate of 644,967 Equity Shares has been made to certain employees and Directors of the Company. The Equity Share capital of our Company upon completion of the Issue, assuming full exercise of all the outstanding options issued under the ESOP, will comprise 59,494,967 Equity Shares. For additional information, see the section "Capital Structure" beginning on page 17 of the Red Herring Prospectus.

Interest of Key Managerial Personnel

The key managerial personnel of the Company do not have any interest in the Company other than the options under the ESOP 2007 held by them or to the extent of any remuneration or benefits to which the key managerial personnel are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Changes in the Key Managerial Personnel

The following are the changes in the key managerial personnel of the Company in the last three years preceding the date of filing this Red Herring Prospectus.

Name	Date of Appointment	Date of Cessation	Reason
H. Krishnan	April 14, 2005	-	Appointment
K. Chandrashekar	June 27, 2005	-	Appointment
Y.V.K. Prasad	September 10, 2005	-	Appointment
M.D. Shetty	October 13, 2005	-	Appointment
Kumar Subramanian	October 17, 2005	-	Appointment
P. Ajit Singh	December 5, 2005	-	Appointment
T. Nagarjuna	February 1, 2006	-	Appointment
Parthasarathy Chakrapani	May 12, 2006	-	Appointment
B. Sreedhar	September 29, 2006	-	Appointment
R.P. Sami	November 15, 2006	-	Appointment
Srinivas Sagi	March 1, 2007	-	Appointment
Mallik Penmetsa	March 1, 2007	-	Appointment
Dr. Srinivas Reddy	March 1, 2007	-	Appointment
Sudheer Mareddi	March 1, 2007	-	Appointment
Systla Mohan Gurunath	March 15, 2007	-	Appointment
M.D. Shetty	-	April 15, 2007	Resignation
R.P. Sami	-	May 9, 2007	Resignation

Payment of Benefit to Officers of the Company

Except as disclosed in this Red Herring Prospectus and the statutory payments made by the Company, in the last two years, the Company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers. None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

OUR PROMOTERS AND PROMOTER GROUP COMPANIES

Promoters

The following individual is a Promoter of the Company:

1. B. Teja Raju

The following companies are also Promoters of the Company:

1. SNR Investments Private Limited
2. Veeyes Investments Private Limited

Promoter Group

The natural persons who are part of the Promoter Group, apart from the individual Promoter mentioned above, are as follows:

1. B. Ramalinga Raju (father of B. Teja Raju)
2. B. Nandini Raju (mother of B. Teja Raju)
3. B. Rama Raju (Jr.) (brother of B. Teja Raju)
4. B. Divya (wife of B. Teja Raju)
5. B. Anjali (daughter of B. Teja Raju)

The companies that are part of the Promoter Group, apart from the Promoter companies mentioned above, are as follows:

1. Alakananda Agro-Farms Private Limited;
2. Anuradha Bio-Tech Private Limited;
3. Anuradha Greenlands Private Limited;
4. Bangar Agro-Farms Private Limited;
5. Bharani Agro Private Limited;
6. Bharani Bio-Tech Private Limited;
7. Brahmaputra Greenlands Private Limited;
8. BRNR Agro Private Limited;
9. BRNR Holdings Private Limited;
10. Coastline Farms Private Limited;
11. Continental Thermits Private Limited;
12. Dhanista Bio-Tech Private Limited;
13. Dhanista Farms Private Limited;
14. Lake Shine Farms Private Limited;
15. Mahanadi Bio-Tech Private Limited;
16. Mandakini Agro-Tech Private Limited;
17. Maytas Holdings Private Limited;
18. Medravati Agro-Farms Private Limited;
19. Mitravinda Agro-Farms Private Limited;
20. Narmada Greenlands Private Limited;
21. Oceanic Farms Private Limited;

22. Pavitravati Greenfields Private Limited;
23. Penganga Agro-Farms Private Limited;
24. Revathi Agro-Tech Private Limited;
25. Revathi Bio-Tech Private Limited;
26. Rising Star Agro Private Limited;
27. Sabarmati Agro-Farms Private Limited;
28. Samrat Marine Products Private Limited;
29. Sarayu Agro-Farms Private Limited;
30. Sky-Blue Bio-Tech Private Limited;
31. SRSR Advisory Services Private Limited;
32. SRSR Holdings Private Limited;
33. Swetagiri Greenlands Private Limited;
34. Uttarabhadra Agro-Farms Private Limited;
35. Vajra Seaport Private Limited;
36. Vamsadhara Agro Private Limited;
37. Vedasmruti Greenlands Private Limited;
38. Vindhya Bio-Tech Private Limited;
39. Vindhya Greenlands Private Limited;
40. Vishnupadi Greenlands Private Limited; and
41. Yamuna Agro-Farms Private Limited.

The HUF that is part of the Promoter Group is as follows:

1. B. Ramalinga Raju – HUF

There are no partnerships, proprietorships or other entities that are part of the Promoter Group.

The details of the Promoters who are individuals are as follows:

B. Teja Raju

Identification	**Details**
PAN	AFSPB9531Q
Passport No.	E7353876
Driving Licence Number	986501999
Bank Account Number	0211000075456

B. Teja Raju, 28 years, is the Vice Chairman of the Company. He joined the Company in 2001. He holds a bachelor's degree in Computer Science and Engineering from PSG College of Technology, Coimbatore and a master's degree in Electronic Commerce from Carnegie Mellon University, Pittsburgh, USA. He has experience in the construction and infrastructure development industry and is an active member of the Young Entrepreneurs Organisation. The Young

Entrepreneurs' Organization is a global non-profit educational organisation for businessmen, which provides its members educational and networking opportunities. It was founded in 1987 and currently has over 6,400 members in approximately 40 countries. His compensation in the year ended March 31, 2007 was Rs. 1.8 million.

For details of terms of appointment of B. Teja Raju as our Director, see the section "Our Management" beginning on page 156 of this Red Herring Prospectus.

The details of the Promoters who are companies are as follows:

SNR Investments Private Limited

SNR Investments Private Limited ("SNR Investments") was incorporated on May 30, 1995. The registered office of SNR Investments is at 8-3-229/W/6, Women Co-Operative Society, Behind Yousufguda, Police lines, Yousufguda, Hyderabad – 500 045. The principal activity of SNR Investments is to carry on the business of portfolio investments in all kinds of securities. B. Teja Raju is the promoter of SNR Investments.

Shareholding Pattern

The shareholding pattern of SNR Investments as of March 31, 2007 was as follows:

Name of the shareholder	Number of equity shares	% of issued capital
Veeyes Investments Private Limited	250	2.75
B. Teja Raju	4,515	49.67
B. Rama Raju (Jr.)	865	9.52
B. Rama Raju (HUF)	1,730	19.03
B. Suryanarayana Raju (HUF)	1,730	19.03
Total	**9,090**	**100.00**

B. Teja Raju has acquired 3,650 shares of SNR Investments in the last six months.

Board of Directors

The board of directors of SNR Investments comprises the following:

1. B. Teja Raju
2. N.S.L.R. Prasad Raju
3. M. Suryanarayana Raju

Change in management

There has been no change in the management of SNR Investments since its inception.

Financial Performance

(Rs. in thousands, except share data)

Particulars	For the period ended March 31		
	2004	**2005**	**2006**
Income/ Sales	304	8,434	4,300
Profit/(Loss) after tax	(9,903)	(8,529)	482
Equity share capital	909	909	909
Reserves and surplus (excluding revaluation reserve)(1)	(6,662)	(15,174)	(14,690)
Earnings/(Loss) per share(2)	(1,089)	(938)	53
Book Value per share(2)	(663)	(1,569)	(1,516)

(1) Net of Miscellaneous expenditure not written off.

(2) The face value of each share is Rs. 100.

SNR Investments is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. SNR Investments has a negative net worth of Rs. 13.8 million as of March 31, 2006.

Veeyes Investments Private Limited

Veeyes Investments Private Limited ("Veeyes Investments") was incorporated on May 31, 1995. The registered office of Veeyes Investments is at 8-3-229/W/6, Women Co-Operative Society, Behind Yousufguda, Police lines, Yousufguda, Hyderabad – 500 045. The principal activity of Veeyes Investments is to carry on the business of portfolio investments in all kinds of securities. B. Teja Raju is the promoter of Veeyes Investments.

Shareholding Pattern

The shareholding pattern of Veeyes Investments as of March 31, 2007 was as follows:

Name of the shareholder	Number of equity shares	% of issued capital
B. Jhansi Rani	2,990	48.07
B. Teja Raju	2,980	47.91
Fincity Investments (P) Ltd	250	4.02
Total	**6,220**	**100.00**

B. Teja Raju has acquired 2,980 shares of Veeyes Investments in the last six months.

Board of Directors

The board of directors of Veeyes Investments comprises the following:

1. B. Jhansi Rani
2. B. Suryanarayana Raju
3. D.V.S. Subba Raju
4. M. Suryanarayana Raju

Change in management

There has been no change in the management of Veeyes Investments since its inception.

Financial Performance

(Rs. in thousands, except share data)

Particulars	For the period ended March 31		
	2004	**2005**	**2006**
Income/ Sales	225.48	5,334	4,349.65
Profit/(Loss) after tax	(10,036.37)	(1,699.40)	(4,378.75)
Equity share capital	622	622	622
Reserves and surplus (excluding revaluation reserve)[1]	62,033	60,350	67,817
Earnings/(Loss) per share[2]	(1,613.56)	(273.21)	(703.98)
Book Value per share[2]	10,073	9,803	11,003

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[1] Net of Miscellaneous expenditure not written off.

[2] The face value of each share is Rs. 100.

Veeyes Investments is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Declaration

We confirm that the PAN, bank account details and passport number of B. Teja Raju will be submitted to the Stock Exchanges at the time of filing this Red Herring Prospectus with such Stock Exchanges.

In case of SNR Investments and Veeyes Investments, we confirm that the PAN, bank account details, Company Registration Number and address of the registrar of companies where they are registered have been submitted to the Stock Exchanges at the time of filing this Red Herring Prospectus with such 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 currently pending against them. None of our Promoters or persons in control of bodies corporate forming part of our Promoter Group has been restricted from accessing the capital markets.

Common Pursuits

Except as disclosed in the Red Herring Prospectus, the Promoters do not have an interest in any venture that is involved in any activities similar to those conducted by the Company or any member of the Promoter Group.

Interest of Individual Promoters

B. Teja Raju

B. Teja Raju, one of the Promoters, is interested in the Company to the extent of his shareholding and the dividend declared, if any, by the Company. He is also the executive Vice Chairman of the Company.

Related Party Transactions

Except as disclosed in the section "Related Party Transactions" beginning on page 211 of this Red Herring Prospectus, there have been no payment of benefits to our Promoters during the last two years prior to the date of filing of this Red Herring Prospectus.

Companies promoted by our Promoters under Clause 6.8.3.2(k) and (l) of the SEBI Guidelines

Except as disclosed, none of the promoters or any of their immediate relatives holds 10.0% or more of the share capital of any company or entity specified under Clause 6.8.3.2 (k) and (l) of the SEBI Guidelines.

The details of the companies that form part of our Promoter Group are as follows:

Alakananda Agro-Farms Private Limited

Alakananda Agro-Farms Private Limited ("Alakananda Agro-Farms") was incorporated on June 29, 2000. The registered office of Alakananda Agro-Farms is at B-79, Madhuranagar, Hyderabad – 500 038. The principal activity of Alakananda Agro-Farms is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Alakananda Agro-Farms as of March 31, 2007 was as follows:

Name of the shareholder	Number of equity shares	% of issued capital
B. Nandini Raju	24,950	99.90
N.S.L.R. Prasad Raju	50	0.10
Total	**25,000**	**100.00**

There has been no change in the capital structure of Alaknanda Agro-Farms in the last six months.

Board of Directors

The board of directors of Alakananda Agro-Farms comprises the following:

1. B. Nandini Raju
2. N.S.L.R. Prasad Raju
3. K.G.K. Raju

Financial Performance

(Rs. in thousands, except share data)

Particulars	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	70
Profit/(Loss) after Tax	Nil	Nil	(182)
Equity Share Capital	2,500	2,500	2,500
Reserves and surplus (excluding revaluation reserves)(1)	(144)	(165)	(347)
Earnings/(Loss) per share(2)	Nil	Nil	(182)
Book Value per share (2)	94	94	86

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

Alakananda Agro-Farms is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Anuradha Bio-Tech Private Limited

Anuradha Bio-Tech Private Limited ("Anuradha Bio-Tech") was incorporated on July 22, 1999. The registered office of Anuradha Bio-Tech is at 1-11-195, Flat No. 503, Vemakamalas Pramila Rao Residency, Shamlal Buildings, Begumpet, Hyderabad – 500 016. The principal activity of Anuradha Bio-Tech is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Anuradha Bio-Tech as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
D. Srinivasa Raju	25	0.30
B. Teja Raju	7,950	99.40
N. Rama Raju	25	0.30
Total	**8,000**	**100.00**

There has been no change in the capital structure of Anuradha Bio-Tech in the last six months.

Board of Directors

The board of directors of Anuradha Bio-Tech comprises the following:

1. B. Teja Raju
2. D. Srinivasa Raju
3. N. Rama Raju
4. B. Nandini Raju

Financial Performance

(Rs. in thousands, except share data)

Particulars	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	800	800	800
Reserves and surplus (excluding revaluation reserves)(1)	(192)	(228)	(314)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	76	72	61

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Anuradha Bio-Tech is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Anuradha Greenlands Private Limited

Anuradha Greenlands Private Limited ("Anuradha Greenlands") was incorporated on February 25, 2000. The registered office of Anuradha Greenlands is at B-79, Madhuranagar, Hyderabad – 500 038. The principal activity of Anuradha Greenlands is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Anuradha Greenlands as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	50	5.00
B. Rama Raju (Jr.)	950	95.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Anuradha Greenlands in the last six months.

Board of Directors

The board of directors of Anuradha Greenlands comprises the following:

1. B. Nandini Raju
2. B. Rama Raju (Jr.)
3. D. Srinivasa Raju
4. N.S.L.R. Prasad Raju
5. K.G.K. Raju

Financial Performance

(Rs. in thousands, except share data)

Particulars	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	677	Nil	Nil
Profit/(Loss) after Tax	591	(173)	(337)
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	484	310	(26)
Earnings/(Loss) per share(2)	591	(173)	(337)
Book Value per share (2)	584	410	74

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

Anuradha Greenlands is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Bangar Agro-Farms Private Limited

Bangar Agro-Farms Private Limited ("Bangar Agro-Farms") was incorporated on September 14, 2006. The registered office of Bangar Agro-Farms is at B-79, Madhura Nagar, Hyderabad – 500 038. The principal activity of Bangar Agro-Farms is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Bangar Agro-Farms as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	500	50.00
K.G.K. Raju	500	50.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Bangar Agro-Farms in the last six months.

Board of Directors

The board of directors of Bangar Agro-Farms comprises the following:

1. B. Nandini Raju
2. K.G.K. Raju

Financial Performance

The financial statements of Bangar Agro-Farms are not available as it was incorporated in September, 2006.

Bangar Agro-Farms is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Bharani Agro Private Limited

Bharani Agro Private Limited ("Bharani Agro") was incorporated on August 3, 1999. The registered office of Bharani Agro is at 1-11-195, Flat No. 503, Vemakamalas Pramila Rao Residency, Shamlal Buildings, Begumpet, Hyderabad – 500 016. The principal activity of Bharani Agro is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Bharani Agro as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	50	5.00
B. Teja Raju	950	95.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Bharani Agro in the last six months.

Board of Directors

The board of directors of Bharani Agro comprises the following:

1. B. Nandini Raju
2. B. Teja Raju
3. N.S.L.R. Prasad Raju
4. N. Rama Raju
5. K.V.V. Krishnam Raju

Financial Performance

(Rs. in thousands, except share data)

Particulars	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	579	0	1,395
Profit/(Loss) after Tax	511	(64)	1,229
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	376	346	1,609
Earnings/(Loss) per share(2)	511	(64)	1,229
Book Value per share (2)	476	446	1,709

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Bharani Agro is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Bharani Bio-Tech Private Limited

Bharani Bio-Tech Private Limited ("Bharani Bio-Tech") was incorporated on February 25, 2000. The registered office of Bharani Bio-Tech is at 1-11-195, Flat No. 503, Vemakamalas Pramila Rao Residency, Shamlal Buildings, Begumpet, Hyderabad – 500 016. The principal activity of Bharani Bio-Tech is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Bharani Bio-Tech as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Rama Raju (Jr.)	24,950	99.80
N. Rama Raju	25	0.10
K.G. K. Raju	25	0.10
Total	**25,000**	**100.00**

There has been no change in the capital structure of Bharani Bio-Tech in the last six months.

Board of Directors

The board of directors of Bharani Bio-Tech comprises the following:

1. B. Rama Raju (Jr.)
2. N. Rama Raju
3. K.G.K. Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
Particulars	**2004**	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	2,500	2,500	2,500
Reserves and surplus (excluding revaluation reserves)(1)	(140)	(183)	(534)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	94	93	79

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Bharani Bio-Tech is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Brahmaputra Greenlands Private Limited

Brahmaputra Greenlands Private Limited ("Brahmaputra Greenlands") was incorporated on July 12, 2000. The registered office of Brahmaputra Greenlands is at B-79, Madhura Nagar, Hyderabad – 500 038. The principal activity of Brahmaputra Greenlands is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Brahmaputra Greenlands as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
D. Ravi Kumar	50	0.20
B. Nandini Raju	24,950	99.80
Total	**25,000**	**100.00**

There has been no change in the capital structure of Brahmaputra Greenlands in the last six months.

Board of Directors

The board of directors of Brahmaputra Greenlands comprises the following:

1. B. Nandini Raju
2. K.G.K. Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	2,500	2,500	2,500
Reserves and surplus (excluding revaluation reserves)(1)	(183)	(214)	(319)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	93	91	87

(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

Brahmaputra Greenlands is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

BRNR Agro Private Limited

BRNR Agro Private Limited ("BRNR Agro") was incorporated on October 29, 1998. The registered office of BRNR Agro is at 1-11-195, Flat No. 503, Vemakamalas Pramila Rao Residency, Shamlal Buildings, Begumpet, Hyderabad – 500 016. The principal activity of BRNR Agro is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of BRNR Agro as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Ramalinga Raju	50	5.00
B. Nandini Raju	50	5.00
B. Teja Raju	900	90.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of BRNR Agro in the last six months.

Board of Directors

The board of directors of BRNR Agro comprises the following:

1. B. Nandini Raju
2. B. Teja Raju
3. B. Rama Raju (Jr.)
4. N. Rama Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	86	89	90
Profit/(Loss) after Tax	20	24	29
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(72)	(16)	45
Earnings/(Loss) per share(2)	20	24	29
Book Value per share (2)	28	84	145

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(1) Net of miscellaneous expenditure not written off.
(2) The face value of each equity share is Rs. 100.

BRNR Agro is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

BRNR Holdings Private Limited

BRNR Holdings Private Limited ("BRNR Holdings") was incorporated on October 29, 1998. The registered office of BRNR Holdings is at 1-11-195, Flat No. 503, Vemakamalas Pramila Rao Residency, Shamlal Buildings, Begumpet, Hyderabad – 500 016. The principal activity of BRNR Holdings is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of BRNR Holdings as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Ramalinga Raju	50	5.00
B. Nandini Raju	950	95.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of BRNR Holdings in the last six months.

Board of Directors

The board of directors of BRNR Holdings comprises the following:

1. B. Nandini Raju
2. B. Teja Raju
3. B. Rama Raju (Jr.)
4. N. Rama Raju
5. N.S.L.R. Prasad Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(491)	(625)	(764)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	(391)	(525)	(664)

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

BRNR Holdings is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. BRNR Holdings has negative net worth of Rs. 0.7 million as of March 31, 2006.

Coastline Farms Private Limited

Coastline Farms Private Limited ("Coastline Farms") was incorporated on September 12, 1994. The registered office of Coastline Farms is at Plot No.392, HMT Hills, 2nd Venture, Opposite JNTU College, Kukatpally, Hyderabad – 500 072. The principal activity of Coastline Farms is agriculture and allied activities.

Shareholding Pattern

The shareholding pattern of Coastline Farms as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
A Bhaskar Raju	50	0.10
B. Jhansi Rani	29,950	11.50
B. Radha	30,000	11.50
B. Appalanarasamma	20,000	7.70
B. Ramalinga Raju	40,000	15.40
B. Nandini Raju	20,000	7.70
B. Teja Raju	6,667	2.60
B. Rama Raju (Jr.)	6,667	2.60
B. Suryanarayana Raju	40,000	15.40
B. Rama Raju (Sr.)	40,000	15.40
B. Suryanarayana Raju-HUF	13,333	5.10
B. Rama Raju-HUF	13,333	5.10
Total	**260,000**	**100.00**

There has been no change in the capital structure of Coastline Farms in the last six months.

Board of Directors

The board of directors of Coastline Farms comprises the following:

1. B. Jhansi Rani
2. B. Radha
3. N.S.L.R. Prasad Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	10.00
Profit/(Loss) after Tax	Nil	Nil	(198)
Equity Share Capital	2,600	2,600	2,600
Reserves and surplus (excluding revaluation reserves)[1]	(912)	(938)	(948)
Earnings/(Loss) per share[2]	Nil	Nil	(0.76)
Book Value per share [2]	6.0	6.0	6.0

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[1] Net of miscellaneous expenditure not written off.

[2] The face value of each equity share is Rs. 10.

Coastline Farms is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Continental Thermits Private Limited

Continental Thermits Private Limited ("Continental Thermits") was incorporated on January 24, 1981. The registered office of Continental Thermits is at 1-11-195, Flat No. 503, Vemakamalas Pramila Rao Residency, Shamlal Buildings, Begumpet, Hyderabad – 500 016. The principal activity of Continental Thermits is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Continental Thermits as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
Dr. D. S. Raju	15	0.20
B. Ramalinga Raju	20	0.20
B. Suryanarayana Raju (HUF)	458	5.50
B. Appalanarasamma	690	8.30
B. Suryanarayana Raju	1,375	16.60
B. Jhansi Rani	690	8.30
B. Nandini Raju	2,065	24.90
B. Radha	2,065	24.90
B. Teja Raju	230	2.80
B. Rama Raju (Jr.)	229	2.80
B. Rama Raju (HUF)	458	5.50
Total	**8,295**	**100.00**

There has been no change in the capital structure of Continental Thermits in the last six months.

Board of Directors

The board of directors of Continental Thermits comprises the following:

1. B. Suryanarayana Raju
2. B. Nandini Raju
3. B. Radha
4. B. Teja Raju
5. N. Rama Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	979	1,071	989
Profit/(Loss) after Tax	879	1,027	921
Equity Share Capital	830	830	830
Reserves and surplus (excluding revaluation reserves)[(1)]	(518)	508	1,430
Earnings/(Loss) per share[(2)]	106	124	111
Book Value per share [(2)]	37	161	272

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Continental Thermits is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Dhanista Bio-Tech Private Limited

Dhanista Bio-Tech Private Limited ("Dhanista Bio-Tech") was incorporated on July 22, 1999. The registered office of Dhanista Bio-Tech is at B-79, Madhura Nagar, Hyderabad – 500 038. The principal activity of Dhanista Bio-Tech is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Dhanista Bio-Tech as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Teja Raju	50	5.00
B. Rama Raju (Jr.)	950	95.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Dhanista Bio-Tech in the last six months.

Board of Directors

The board of directors of Dhanista Bio-Tech comprises the following:

1. B. Teja Raju
2. B. Rama Raju (Jr.)
3. N.S.L.R. Prasad Raju
4. K.G.K. Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)[1]	(224)	(267)	(312)
Earnings/(Loss) per share[2]	Nil	Nil	Nil
Book Value per share [2]	(124)	(167)	(212)

[1] Net of miscellaneous expenditure not written off.

[2] The face value of each equity share is Rs. 100.

Dhanista Bio-Tech is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. Dhanista Bio-Tech has negative net worth of Rs. 0.2 million as of March 31, 2006.

Dhanista Farms Private Limited

Dhanista Farms Private Limited ("Dhanista Farms") was incorporated on January 27, 2000. The registered office of Dhanista Farms is at 2-13/31, SS Nagar, Opposite Hydernagar, Hyderabad – 500 072. The principal activity of Dhanista Farms is agriculture and allied activities.

Shareholding Pattern

The shareholding pattern of Dhanista Farms as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	950	95.00
B. Radha	40	4.00
N. Rama Raju	10	1.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Dhanista Farms in the last six months.

Board of Directors

The board of directors of Dhanista Farms comprises the following:

1 B. Nandini Raju

2. B. Radha

3. N. Rama Raju

4. A.V. Raghava Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(239)	(280)	(392)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	(139)	(180)	(292)

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Dhanista Farms is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. Dhanista Farms has negative net worth of Rs. 0.3 million as of March 31, 2006.

Lake Shine Farms Private Limited

Lake Shine Farms Private Limited ("Lake Shine Farms") was incorporated on October 23, 1992. The registered office of Lake Shine Farms is at B-55, Flat No.202, Sai Vaishnavi Vihar, Vengala Rao Nagar, S.R. Nagar Post, Hyderabad – 500 038. The principal activity of Lake Shine Farms is agriculture and allied activities.

Shareholding Pattern

The shareholding pattern of Lake Shine Farms as of March 31, 2007 was as follows:

Name of the shareholder	Number of equity shares	% of issued capital
B. Suryanarayana Raju (HUF)	166	5.40
B. Appalanarasamma	300	9.70
B. Suryanarayana Raju	500	16.10
B. Jhansi Rani	250	8.00
B. Nandini Raju	800	25.80
B. Radha	750	24.20
B. Teja Raju	84	2.70
B. Rama Raju (Jr.)	84	2.70
B. Rama Raju (HUF)	166	5.40
Total	**3,100**	**100.00**

There has been no change in the capital structure of Lake Shine Farms in the last six months.

Board of Directors

1. B. Nandini Raju
2. B. Jhansi Rani
3. N.S.L.R. Prasad Raju
4. D.V.S. Subba Raju
5. B. Radha

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/ Sales	562	496	485
Profit/(Loss) after tax	433	472	465
Equity share capital	310	310	310
Reserves and surplus (excluding revaluation reserve)(1)	(308)	166	633
Earnings/(Loss) per share(2)	139	152	150
Book Value per share(2)	0.65	153	304

(1) Net of Miscellaneous expenditure not written off.

(2) Face value of each share is Rs. 100.

Lake Shine Farms is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Mahanadi Bio-Tech Private Limited

Mahanadi Bio-Tech Private Limited ("Mahanadi Bio-Tech") was incorporated on June 30, 2000. The registered office of Mahanadi Bio-Tech is at 2-13/31, S.S. Nagar, Opposite Hyder Nagar, Hyderabad – 500 072. The principal activity of Mahanadi Bio-Tech is agriculture and allied activities.

Shareholding Pattern

The shareholding pattern of Mahanadi Bio-Tech as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	950	95.00
N. Rama Raju	10	1.00
B. Radha	40	4.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Mahanadi Bio-Tech in the last six months.

Board of Directors

The board of directors of Mahanadi Bio-Tech comprises the following:

1. B. Nandini Raju
2. B. Radha
3. N. Rama Raju
4. D. Srinivasa Raju
5. A.V. Raghava Raju
6. M. Suryanarayana Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	52
Profit/(Loss) after Tax	Nil	Nil	(279)
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)[1]	(145)	(162)	(409)
Earnings/(Loss) per share[2]	Nil	Nil	(279)
Book Value per share [2]	(45)	(62)	(309)

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[1] Net of miscellaneous expenditure not written off.

[2] The face value of each equity share is Rs. 100.

Mahanadi Bio-Tech is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. Mahanadi Bio-Tech has negative net worth of Rs. 0.3 million as of March 31, 2006.

Mandakini Agro-Tech Private Limited

Mandakini Agro-Tech Private Limited ("Mandakini Agro-Tech") was incorporated on July 25, 2002. The registered office of Mandakini Agro-Tech is at B-79, Madhura Nagar, Hyderabad – 500 038. The principal activity of Mandakini Agro-Tech is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Mandakini Agro-Tech as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Rama Raju (Jr.)	500	50.00
N.S.L.R. Prasad Raju	500	50.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Mandakini Agro-Tech in the last six months.

Board of Directors

The board of directors of Mandakini Agro-Tech comprises the following:

1. B. Rama Raju (Jr.)
2. N.S.L.R. Prasad Raju
3. K.G.K. Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	250
Profit/(Loss) after Tax	Nil	Nil	179
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(86)	(148)	68
Earnings/(Loss) per share(2)	Nil	Nil	179
Book Value per share (2)	14	(48)	168

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Mandakini Agro-Tech is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Maytas Holdings Private Limited

Maytas Holdings Private Limited ("Maytas Holdings") was incorporated on May 18, 2006. The registered office of Maytas Holdings is at 6-3-1186/5/A, III Floor, Amogh Plaza, Begumpet, Hyderabad – 500 016. The principal activity of Maytas Holdings is investment in properties.

Shareholding Pattern

The shareholding pattern of Maytas Holdings as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Suryanarayana Raju	340	34.00
B. Teja Raju	330	33.00
B. Rama Raju (Jr.)	330	33.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Maytas Holdings in the last six months.

Board of Directors

The board of directors of Maytas Holdings comprises the following:

1. B. Suryanarayana Raju
2. B. Teja Raju
3. B. Rama Raju (Jr.)

Financial Performance

The financial statements of Maytas Holdings are not available as it was incorporated in May, 2006.

Maytas Holdings is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Medravati Agro-Farms Private Limited

Medravati Agro-Farms Private Limited ("Medravati Agro-Farms") was incorporated on June 30, 2000. The registered office of Medravati Agro-Farms is at B-79, Madhura Nagar, Hyderabad – 500 038. The principal activity of Medravati Agro-Farms is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Medravati Agro-Farms as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	950	95.00
N.S.L.R. Prasad Raju	50	5.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Medravati Agro-Farms in the last six months.

Board of Directors

The board of directors of Medravati Agro-Farms comprises the following:

1. B. Nandini Raju
2. N.S.L.R. Prasad Raju
3. M. Suryanarayana Raju
4. K.G.K. Raju
5. B. Rama Raju (Jr.)

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(132)	(149)	(165)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	(32)	(49)	(65)

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Medravati Agro-Farms is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. Medravati Agro-Farms has negative net worth of Rs. 0.1 million as of March 31, 2006.

Mitravinda Agro-Farms Private Limited

Mitravinda Agro-Farms Private Limited ("Mitravinda Agro-Farms") was incorporated on January 3, 2005. The registered office of Mitravinda Agro-Farms is at B-79, Madhura Nagar, Hyderabad – 500 038. The principal activity of Mitravinda Agro-Farms is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Mitravinda Agro-Farms as of March 31, 2007 was as follows:

Name of Shareholder	**Number of equity shares**	**% of Issued Capital**
B. Teja Raju	500	50.00
K.G. K. Raju	500	50.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Mitravinda Agro-Farms in the last six months.

Board of Directors

The board of directors of Mitravinda Agro-Farms comprises the following:

1. B. Teja Raju
2. K.G. K. Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	Nil	100	100
Reserves and surplus (excluding revaluation reserves)[1]	Nil	(76)	(92)
Earnings/(Loss) per share[2]	Nil	Nil	Nil
Book Value per share [2]	Nil	24	8

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Mitravinda Agro-Farms is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Narmada Greenlands Private Limited

Narmada Greenlands Private Limited ("Narmada Greenlands") was incorporated on July 12, 2000. The registered office of Narmada Greenlands is at 1-11-195, Flat No. 503, Vemakamalas Pramila Rao Residency, Shamlal Buildings, Begumpet, Hyderabad – 500 016. The principal activity of Narmada Greenlands is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Narmada Greenlands as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Jhansi Rani	50	0.62
N. Rama Raju	50	0.62
B. Teja Raju	7,900	98.76
Total	**8,000**	**100.00**

There has been no change in the capital structure of Narmada Greenlands in the last six months.

Board of Directors

The board of directors of Narmada Greenlands comprises the following:

1. B. Jhansi Rani
2. B. Teja Raju
3. B. Rama Raju (Jr.)
4. N. Rama Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	2005	2006
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	800	800	800
Reserves and surplus (excluding revaluation reserves)(1)	(141)	(159)	(176)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	82	80	78

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Narmada Greenlands is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Oceanic Farms Private Limited

Oceanic Farms Private Limited ("Oceanic Farms") was incorporated on February 2, 1993. The registered office of Oceanic Farms is at 1-11-195, Flat No. 503, Vemakamalas Pramila Rao Residency, Shamlal Buildings, Begumpet, Hyderabad – 500 016. The principal activity of Oceanic Farms is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Oceanic Farms as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Suryanarayana Raju (HUF)	17,330	4.70
B. Suryanarayana Raju	66,000	18.00
B. Jhansi Rani	21,000	5.70
B. Teja Raju	8,670	2.40
B. Rama Raju (Jr.)	8,670	2.40
B. Rama Raju (HUF)	17,330	4.70
B. Appalanarasamma	21,000	5.70
B. Ramalinga Raju	80,000	21.90
B. Nandini Raju	23,000	6.30
B. Rama Raju (Sr.)	80,000	21.90
B. Radha	23,000	6.30
Total	**366,000**	**100.00**

There has been no change in the capital structure of Oceanic Farms in the last six months.

Board of Directors

The board of directors of Oceanic Farms comprises the following:

1. B. Suryanarayana Raju

2. B. Jhansi Rani

3. N. Rama Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	25	33
Profit/(Loss) after Tax	Nil	(2,339)	(2,340)
Equity Share Capital	3,660	3,660	3,660
Reserves and surplus (excluding revaluation reserves)(1)	(11,566)	(11,592)	(11,619)
Earnings/(Loss) per share(2)	Nil	(6.39)	(6.39)
Book Value per share (2)	(21.60)	(21.67)	(21.74)

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 10.

Oceanic Farms is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. Oceanic Farms has negative net worth of Rs. 8.0 million as of March 31, 2006.

Pavitravati Greenfields Private Limited

Pavitravati Greenfields Private Limited ("Pavitravati Greenfields") was incorporated on August 31, 2006. The registered office of Pavitravati Greenfields is at Flat No. 201, Kamala Arcade, H. No. 1-11-192, 2nd floor, Shamlal Buildings, Begumpet, Hyderabad – 500 016. The principal activity of Pavitravati Greenfields is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Pavitravati Greenfields as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	500	50.00
N. Rama Raju	500	50.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Pavitravati Greenfields in the last six months.

Board of Directors

The board of directors of Pavitravati Greenfields comprises the following:

1. B. Nandini Raju

2. N. Rama Raju

Financial Performance

The financial statements of Pavitravati Greenfields are not available as it was incorporated in August, 2006.

Pavitravati Greenfields is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Penganga Agro-Farms Private Limited

Penganga Agro-Farms Private Limited ("Penganga Agro-Farms") was incorporated on June 29, 2000. The registered office of Penganga Agro-Farms is at B-79, Madhura Nagar, Hyderabad – 500 038. The principal activity of Penganga Agro-Farms is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Penganga Agro-Farms as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	950	95.00
K.G. K. Raju	25	2.50
N.S.L.R. Prasad Raju	25	2.50
Total	**1,000**	**100.00**

There has been no change in the capital structure of Penganga Agro-Farms in the last six months.

Board of Directors

The board of directors of Penganga Agro-Farms comprises the following:

1. B. Nandini Raju
2. N.S.L.R. Prasad Raju
3. K.G.K. Raju
4. B. Rama Raju (Jr.)

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	1062
Profit/(Loss) after Tax	Nil	Nil	928
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(145)	(162)	799
Earnings/(Loss) per share(2)	Nil	Nil	928
Book Value per share (2)	(45)	(62)	899

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Penganga Agro-Farms is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Revathi Agro-Tech Private Limited

Revathi Agro-Tech Private Limited ("Revathi Agro-Tech") was incorporated on July 22, 1999. The registered office of Revathi Agro-Tech is at B-79, Madhura Nagar, Hyderabad – 500 038. The principal activity of Revathi Agro-Tech is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Revathi Agro-Tech as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	50	5.00
B. Rama Raju (Jr.)	950	95.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Revathi Agro-Tech in the last six months.

Board of Directors

The board of directors of Revathi Agro-Tech comprises the following:

1. B. Nandini Raju
2. B. Rama Raju (Jr.)
3. K.G.K. Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(159)	(177)	(193)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	(59)	(77)	(93)

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Revathi Agro-Tech is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. Revathi Agro-Tech has negative net worth of Rs. 0.1 million as of March 31, 2006.

Revathi Bio-Tech Private Limited

Revathi Bio-Tech Private Limited ("Revathi Bio-Tech") was incorporated on February 25, 2000. The registered office of Revathi Bio-Tech is at 2-13/31, S.S. Nagar, Opposite Hyder Nagar, Hyderabad – 500 072. The principal activity of Revathi Bio-Tech is agriculture and allied activities.

Shareholding Pattern

The shareholding pattern of Revathi Bio-Tech as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	10	0.04
B. Radha	40	0.16
B. Teja Raju	24,950	99.80
Total	**25,000**	**100.00**

There has been no change in the capital structure of Revathi Bio-Tech in the last six months.

Board of Directors

The board of directors of Revathi Bio-Tech comprises the following:

1. B. Nandini Raju
2. B. Radha
3. B. Teja Raju
4. A.V. Raghava Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	2,500	2,500	2,500
Reserves and surplus (excluding revaluation reserves)(1)	(164)	(230)	(321)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	(93)	(91)	(87)

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Revathi Bio-Tech is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Rising Star Agro Private Limited

Rising Star Agro Private Limited ("Rising Star Agro") was incorporated on October 23, 1992. The registered office of Rising Star Agro is at Plot No.392, HMT Hills, 2nd Venture, Opposite JNTU College, Kukatpally, Hyderabad - 500 072. The principal activity of Rising Star Agro is agriculture and allied activities.

Shareholding Pattern

The shareholding pattern of Rising Star Agro as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Suryanarayana Raju-HUF	180	5.50
B. Appalanarasamma	260	7.90
B. Suryanarayana Raju	540	16.40
B. Jhansi Rani	310	9.40
B. Nandini Raju	800	24.20
B. Radha	850	25.80
B. Teja Raju	90	2.70
B. Rama Raju (Jr.)	90	2.70
B. Rama Raju-HUF	180	5.40
Total	**3,300**	**100.00**

There has been no change in the capital structure of Rising Star Agro in the last six months.

Board of Directors

The board of directors of Rising Star Agro comprises the following:

1. B. Nandini Raju
2. B. Jhansi Rani
3. B. Radha
4. M. Suryanarayana Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	467	467	467
Profit/(Loss) after Tax	447	448	448
Equity Share Capital	330	330	330
Reserves and surplus (excluding revaluation reserves)(1)	16	466	917
Earnings/(Loss) per share(2)	136	136	136
Book Value per share (2)	105	241	378

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Rising Star Agro is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Sabarmati Agro-Farms Private Limited

Sabarmati Agro-Farms Private Limited ("Sabarmati Agro-Farms") was incorporated on July 12, 2000. The registered office of Sabarmati Agro-Farms is at B-79, Madhura Nagar, Hyderabad - 500 038. The principal activity of Sabarmati Agro-Farms is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Sabarmati Agro-Farms as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Jhansi Rani	50	5.00
N. Rama Raju	10	1.00
B. Teja Raju	40	4.00
B. Nandini Raju	900	90.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Sabarmati Agro-Farms in the last six months.

Board of Directors

The board of directors of Sabarmati Agro-Farms comprises the following:

1. B. Jhansi Rani
2. N. Rama Raju
3. B. Rama Raju (Jr.)
4. K.G. K. Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(134)	(154)	(172)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	(34)	(54)	(72)

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Sabarmati Agro-Farms is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. Sabramati Agro-Farms has negative net worth of Rs. 0.1 million as of March 31, 2006.

Samrat Marine Products Private Limited

Samrat Marine Products Private Limited ("Samrat Marine") was incorporated on March 6, 1987. The registered office of Samrat Marine is at Plot No.392, HMT Hills, 2nd Venture, Opposite JNTU College, Kukatpally, Hyderabad - 500 072. The principal activity of Samrat Marine is agriculture and allied activities.

Shareholding Pattern

The shareholding pattern of Samrat Marine as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
M. Suryanarayana Raju	20	0.10
B. Suryanarayana Raju-HUF	4,930	5.50
B. Appalanarasamma	7,390	8.30
B. Suryanarayana Raju	14,790	16.70
B. Jhansi Rani	7,390	8.30
B. Nandini Raju	22,180	25.00
B. Radha	22,180	25.00
B. Teja Raju	2,470	2.80
B. Rama Raju (Jr.)	2,460	2.80
B. Rama Raju-HUF	4,930	5.50
Total	**88,740**	**100.00**

There has been no change in the capital structure of Samrat Marine in the last six months.

Board of Directors

The board of directors of Samrat Marine comprises the following:

1. B. Suryanarayana Raju
2. B. Nandini Raju
3. B. Radha
4. B. Teja Raju
5. M. Suryanarayana Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	553	583	566
Profit/(Loss) after Tax	462	484	517
Equity Share Capital	887.40	887.40	887.40
Reserves and surplus (excluding revaluation reserves)(1)	(1456)	(970)	(452)
Earnings/(Loss) per share(2)	5.20	5.45	5.83
Book Value per share (2)	(6.40)	(0.93)	4.90

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 10.

Samrat Marine is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Sarayu Agro-Farms Private Limited

Sarayu Agro-Farms Private Limited ("Sarayu Agro-Farms") was incorporated on June 30, 2000. The registered office of Sarayu Agro-Farms is at 1-11-195, Flat No. 503, Vemakamalas Pramila Rao Residency, Shamlal Buildings, Begumpet, Hyderabad - 500 016. The principal activity of Sarayu Agro-Farms is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Sarayu Agro-Farms as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	950	95.00
K.G. K. Raju	25	2.50
N. Rama Raju	25	2.50
Total	**1,000**	**100.00**

There has been no change in the capital structure of Sarayu Agro-Farms in the last six months.

Board of Directors

The board of directors of Sarayu Agro-Farms comprises the following:

1. B. Nandini Raju
2. N. Rama Raju
3. K.G.K. Raju
4. B. Rama Raju (Jr.)

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	439
Profit/(Loss) after Tax	Nil	Nil	354
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(142)	(159)	227
Earnings/(Loss) per share(2)	Nil	Nil	354
Book Value per share (2)	(42)	(59)	327

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Sarayu Agro-Farms is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Sky-Blue Bio-Tech Private Limited

Sky-Blue Bio-Tech Private Limited ("Sky-Blue Bio-Tech") was incorporated on October 23, 1992. The registered office of Sky-Blue Bio-Tech is at Plot No.392, HMT Hills, 2nd Venture, Opposite JNTU College, Kukatpally, Hyderabad - 500 072. The principal activity of Sky-Blue Bio-Tech is agriculture and allied activities.

Shareholding Pattern

The shareholding pattern of Sky-Blue Bio-Tech as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Suryanarayana Raju-HUF	176	5.30
B. Appalanarasamma	270	8.20
B. Suryanarayana Raju	530	16.10
B. Jhansi Rani	320	9.70
B. Nandini Raju	800	24.20
B. Radha	850	25.80
B. Teja Raju	89	2.70
B. Rama Raju (Jr.)	89	2.70
B. Rama Raju-HUF	176	5.30
Total	**3,300**	**100.00**

There has been no change in the capital structure of Sky-Blue Bio-Tech in the last six months.

Board of Directors

The board of directors of Sky-Blue Bio-Tech comprises the following:

1. B. Nandini Raju
2. B. Jhansi Rani
3. B. Radha
4. M. Suryanarayana Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	663	663	663
Profit/(Loss) after Tax	447	371	644
Equity Share Capital	330	330	330
Reserves and surplus (excluding revaluation reserves)(1)	859	1,232	1,878
Earnings/(Loss) per share(2)	135	112	195
Book Value per share (2)	360	473	669

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Sky-Blue Bio-Tech is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

SRSR Advisory Services Private Limited

SRSR Advisory Services Private Limited ("SRSR Advisory Services") was incorporated on August 31, 1999. The registered office of SRSR Advisory Services is at Plot No.80, Road no.9, Jubilee Hills, Hyderabad – 500 033. The principal activity of SRSR Advisory Services is business auxiliary services.

Shareholding Pattern

The shareholding pattern of SRSR Advisory Services as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of issued capital
B. Suryanarayana Raju	105	10.50
B. Suryanarayana Raju (HUF)	15	1.50
B. Ramalinga Raju (HUF)	41	4.10
B. Rama Raju (HUF)	29	2.90
B. Nandini Raju	120	12.00
B. Rama Raju (Jr.)	120	12.00
B. Jhansi Rani	60	6.00
B. Radha	311	31.10
B. Teja Raju	199	19.90
Total	**1,000**	**100.00**

There has been no change in the capital structure of SRSR Advisory Services in the last six months.

Board of Directors

The board of directors of SRSR Advisory Services comprises the following:

1. B. Suryanarayana Raju
2. B. Nandini Raju
3. B. Radha
4. B. Teja Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/ Sales	8,879	9,715	12,174
Profit/(Loss) after tax	428	(318)	1,045
Equity share capital	1,000	1,000	1,000
Reserves and surplus (excluding revaluation reserve)(1)	2,164	1,846	2,891
Earnings/(Loss) per share(2)	428	(318)	1,045
Book Value per share(2)	3,165	2,946	2,991

(1) Net of Miscellaneous expenditure not written off.

(2) Face value of each share is Rs. 100.

SRSR Advisory Services is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

SRSR Holdings Private Limited

SRSR Holdings Private Limited ("SRSR Holdings") was incorporated on June 22, 2006. The registered office of SRSR Holdings is at Plot No.80, Road No.9, Jubilee Hills, Hyderabad – 500 033. The principal activity of SRSR Holdings is holding of properties.

Shareholding Pattern

The shareholding pattern of SRSR Holdings as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of issued capital
B. Ramalinga Raju	184,831	33.10
B. Nandini Raju	81,085	14.50
B. Rama Raju (Sr.)	214,755	38.50
B. Radha	77,609	13.90
Total	**558,280**	**100.00**

There has been no change in the capital structure of SRSR Holdings in the last six months.

Board of Directors

The board of directors of SRSR Holdings comprises the following:

1 B. Ramalinga Raju

2 B. Suryanarayana Raju

3 B. Rama Raju (Sr.)

Financial Performance

The financial statements of SRSR Holdings are not available as it was incorporated in June, 2006.

SRSR Holdings is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Swetagiri Greenlands Private Limited

Swetagiri Greenlands Private Limited ("Swetagiri Greenlands") was incorporated on May 7, 2003. The registered office of Swetagiri Greenlands is at B-79, Madhura Nagar, Hyderabad - 500 038. The principal activity of Swetagiri Greenlands is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Swetagiri Greenlands as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	500	50.00
K.G. K. Raju	500	50.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Swetagiri Greenlands in the last six months.

Board of Directors

The board of directors of Swetagiri Greenlands comprises the following:

1. B. Nandini Raju
2. K.G. K. Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(87)	(113)	(146)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	13	(13)	(46)

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Swetagiri Greenlands is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. Swetagiri Greenlands has negative net worth of Rs. 0.05 million as of March 31, 2006.

Uttarabhadra Agro-Farms Private Limited

Uttarabhadra Agro-Farms Private Limited ("Uttarabhadra Agro-Farms") was incorporated on January 3, 2005. The registered office of Uttarabhadra Agro-Farms is at 1-11-195, Flat No. 503, Vemakamalas Pramila Rao Residency, Shamlal Buildings, Begumpet, Hyderabad - 500 016. The principal activity of Uttarabhadra Agro-Farms is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Uttarabhadra Agro-Farms as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	500	50.00
N. Rama Raju	500	50.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Uttarabhadra Agro-Farms in the last six months.

Board of Directors

The board of directors of Uttarabhadra Agro-Farms comprises the following:

1. B. Nandini Raju
2. N. Rama Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	Nil	100	100
Reserves and surplus (excluding revaluation reserves)(1)	Nil	(76)	(93)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	Nil	24	7

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Uttarabhadra Agro-Farms is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Vajra Seaport

Vajra Seaport was incorporated on February 17, 2007. The registered office of Vajra Seaport is at 6-3-1186/5/A, III Floor, Amogh Plaza, Begumpet, Hyderabad – 500 016. The principal activity of Vajra Seaport is developing, building, maintaining and operating seaport, seaport terminals and allied construction and development activities.

Shareholding Pattern

The shareholding pattern of Vajra Seaport as of February 28, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Teja Raju	9,800	98.00
B. Rama Raju (Jr.)	200	2.00
Total	**10,000**	**100.00**

B. Teja Raju has been allotted 9,800 shares and B. Rama Raju (Jr.) has been allotted 200 shares of Vajra Seaport in the last six months.

Board of Directors

The board of directors of Vajra Seaport comprises the following:

1. B. Teja Raju
2. B. Rama Raju (Jr.)

Financial Performance

The financial statements of Vajra Seaport are not available as it was incorporated in February, 2007.

Vajra Seaport is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Vamsadhara Agro Private Limited

Vamsadhara Agro Private Limited ("Vamsadhara Agro") was incorporated on May 24, 2002. The registered office of Vamsadhara Agro is at B-79, Madhura Nagar, Hyderabad - 500 038. The principal activity of Vamsadhara Agro is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Vamsadhara Agro as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Teja Raju	500	50.00
K. G. K. Raju	250	25.00
D. V. S. Subba Raju	250	25.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Vamsadhara Agro in the last six months.

Board of Directors

The board of directors of Vamsadhara Agro comprises the following:

1. B. Teja Raju
2. D.V.S. Subba Raju
3. K.G.K. Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(107)	(124)	(141)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	(7)	(24)	(41)

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Vamsadhara Agro is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. Vamsadhara Agro has negative net worth of Rs. 0.04 million as of March 31, 2006.

Vedasmruti Greenlands Private Limited

Vedasmruti Greenlands Private Limited ("Vedasmruti Greenlands") was incorporated on August 25, 2004. The registered office of Vedasmruti Greenlands is at 1-11-195, Flat No. 503, Vemakamalas Pramila Rao Residency, Shamlal Buildings, Begumpet, Hyderabad - 500 016. The principal activity of Vedasmruti Greenlands is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Vedasmruti Greenlands as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	500	50.00
N. Rama Raju	400	40.00
B. Jhansi Rani	50	5.00
B. Radha	50	5.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Vedasmruti Greenlands in the last six months.

Board of Directors

The board of directors of Vedasmruti Greenlands comprises the following:

1. B. Nandini Raju
2. N. Rama Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	Nil	100	100
Reserves and surplus (excluding revaluation reserves)(1)	Nil	(79)	(96)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	Nil	21	4

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Vedasmruti Greenlands is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

Vindhya Bio-Tech Private Limited

Vindhya Bio-Tech Private Limited ("Vindhya Bio-Tech") was incorporated on May 8, 2002. The registered office of Vindhya Bio-Tech is at 1-11-195, Flat No. 503, Vemakamalas Pramila Rao Residency, Shamlal Buildings, Begumpet, Hyderabad - 500 016. The principal activity of Vindhya Bio-Tech is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Vindhya Bio-Tech as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Teja Raju	500	50.00
N. Rama Raju	500	50.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Vindhya Bio-Tech in the last six months.

Board of Directors

The board of directors of Vindhya Bio-Tech comprises the following:

1. B. Teja Raju
2. N. Rama Raju
3. M. Suresh

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(108)	(131)	(146)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	(8)	(31)	(46)

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Vindhya Bio-Tech is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. Vindhya Bio-Tech has negative net worth of Rs. 0.05 million as of March 31, 2006.

Vindhya Greenlands Private Limited

Vindhya Greenlands Private Limited ("Vindhya Greenlands") was incorporated on May 24, 2002. The registered office of Vindhya Greenlands is at B-79, Madhura Nagar, Hyderabad - 500 038. The principal activity of Vindhya Greenlands is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Vindhya Greenlands as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Teja Raju	500	50.00
N.S.L.R. Prasad Raju	500	50.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Vindhya Greenlands in the last six months.

Board of Directors

The board of directors of Vindhya Greenlands comprises the following:

1. B. Teja Raju
2. N.S.L.R. Prasad Raju
3. K.G.K. Raju
4. K.V.V. Krishnam Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(108)	(125)	(142)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	(8)	(25)	(42)

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Vindhya Greenlands is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. Vindhya Greenlands has negative net worth of Rs. 0.04 million as of March 31, 2006.

Vishnupadi Greenlands Private Limited

Vishnupadi Greenlands Private Limited ("Vishnupadi Greenlands") was incorporated on February 6, 2004. The registered office of Vishnupadi Greenlands is at 1-11-195, Flat No. 503, Vemakamalas Pramila Rao Residency, Shamlal Buildings, Begumpet, Hyderabad - 500 016. The principal activity of Vishnupadi Greenlands is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Vishnupadi Greenlands as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Teja Raju	500	50.00
N. Rama Raju	500	50.00
Total	**1,000**	**100.00**

There has been no change in the capital structure of Vishnupadi Greenlands in the last six months.

Board of Directors

The board of directors of Vishnupadi Greenlands comprises the following:

1. B. Teja Raju
2. N. Rama Raju

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)[1]	(75)	(97)	(113)
Earnings/(Loss) per share[2]	Nil	Nil	Nil
Book Value per share [2]	25	3	(13)

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(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100

Vishnupadi Greenlands is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. Vishnupadi Greenlands has negative net worth of Rs. 0.01 million as of March 31, 2006.

Yamuna Agro-Farms Private Limited

Yamuna Agro-Farms Private Limited ("Yamuna Agro-Farms") was incorporated on June 29, 2000. The registered office of Yamuna Agro-Farms is at B-79, Madhura Nagar, Hyderabad - 500 038. The principal activity of Yamuna Agro-Farms is agricultural and allied activities.

Shareholding Pattern

The shareholding pattern of Yamuna Agro-Farms as of March 31, 2007 was as follows:

Name of Shareholder	Number of equity shares	% of Issued Capital
B. Nandini Raju	50	5.00
D. Srinivasa Raju	25	2.50
B. Rama Raju (Jr.)	900	90.00
K.G. K. Raju	25	2.50
Total	**1,000**	**100.00**

There has been no change in the capital structure of Yamuna Agro-Farms in the last six months.

Board of Directors

The board of directors of Yamuna Agro-Farms comprises the following:

1. B. Nandini Raju
2. D. Srinivasa Raju
3. I. Janaki Rama Raju
4. K.G.K. Raju
5. B. Rama Raju (Jr.)

Financial Performance

(Rs. in thousands, except share data)

	For the period ended March 31		
	2004	**2005**	**2006**
Income/Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Equity Share Capital	100	100	100
Reserves and surplus (excluding revaluation reserves)(1)	(121)	(148)	(165)
Earnings/(Loss) per share(2)	Nil	Nil	Nil
Book Value per share (2)	(21)	(48)	(65)

(1) Net of miscellaneous expenditure not written off.

(2) The face value of each equity share is Rs. 100.

Yamuna Agro-Farms is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA and is not under winding up. Yamuna Agro-Farms has negative net worth of Rs. 0.1 million as of March 31, 2006.

Defunct Promoter Group Companies

There are no defunct Promoter Group Companies.

Companies from which the Promoters have disassociated themselves

Except as described below, none of the Promoters have disassociated themselves from any of the companies/firms during preceding three years.

S. No.	**Name of the Company/Firm**	**Relationship with the Promoter**	**Reasons for Disassociation**	**Date of Disassociation**
1.	Banganga Agro-Farms Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 26, 2006
2.	Bakli Greenlands Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 26, 2006
3.	Balaghat Greenfields Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 26, 2006
4.	Bandiya Agro-Farms Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 26, 2006
5.	Beas Greenfields Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 28, 2006

S. No.	Name of the Company/Firm	Relationship with the Promoter	Reasons for Disassociation	Date of Disassociation
6.	Gandaki Agro-Farms Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 28, 2006
7.	Jhelum Greenfields Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 26, 2006
8.	Kapra Greenfields Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 26, 2006
9.	Koel Agro-Farms Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 26, 2006
10.	Kolar Greenlands Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 26, 2006
11.	Rupnarayana Agro-Farms Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 26, 2006
12.	Saravati Greenlands Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 26, 2006
13.	Wagh Agro-Farms Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 26, 2006
14.	Wainganga Agro Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 26, 2006
15.	Subansiri Agro-Farms Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 28, 2006
16.	Siseri Agro-Farms Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	December 28, 2006
17.	Ahar Greenfields Private Limited	B. Teja Raju was a shareholder and director	Due to other preoccupations	January 8, 2007

In the past three years, the Company has disposed of its equity interest in the following companies, which were its subsidiaries:

1. Maytas Infrasys Private Limited;
2. Maytas Infratech Private Limited;
3. Maytas Projects Private Limited;
4. Maytas Properties Private Limited; and
5. AP Prakash Shipping Company Pte. Ltd.

Social Initiatives of the Promoter Group

The Promoter Group is involved in setting up the Byrraju Foundation which is a not-for-profit organisation and works to enhance the quality of life for the economically backward classes of people in rural areas. The Byrraju Foundation provides services in the areas of healthcare, environment, sanitation, primary education, adult literacy and skills development.

The Promoter Group is also involved in setting up the Emergency Management and Research Institute which provides emergency response services in case of police, fire and medical emergencies in the state of Andhra Pradesh.

RELATED PARTY TRANSACTIONS

The Company has various transactions with related parties, including the following:

- Associates;
- Gautami Power;
- Directors and employees; and
- Promoter Group entities.

These related party transactions include the following:

- payments for premises leased;
- payment of consultancy/professional charges, fees and commissions; and
- payment of managerial remuneration.

An agreement of sub contract was executed on February 4, 2006 between Maytas Hill County Private Limited ("Maytas Hill County"), a company in which our executive Vice Chairman, B. Teja Raju, is a director and Maytas Infra, pursuant to which Maytas Hill County sub contracted the construction of a residential township aggregating 98.16 acres in Bachupally village, Qutbullahpur Mandal, Ranga Reddy District to Maytas Infra for a consideration of Rs. 4,100.0 million. Under the terms of the agreement, Maytas Infra is required to complete the construction work on or before October 31, 2007. In case of any delay beyond the stipulated time period, liquidated damages are payable at the rate of 0.50% of the contract value per week. Maytas Infra is also liable for any defects liability within 12 months from the date of completion of construction work.

A trade mark licence agreement was executed on April 20, 2007 between Maytas Holdings Private Limited, one of our Promoter Group Companies and Maytas Infra, for use by Maytas Infra of the "Maytas" name and logo. For further details of the trade mark licence agreement, see the section "Business–Intellectual Property" beginning on page 109 of this Red Herring Prospectus.

For more details on the Company's related party transactions, see Annexure XVII to the Company's restated unconsolidated financial statements beginning on page F-42 of this Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by the Board of Directors and approved by the shareholders of the Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. Further, pursuant to the terms of the term loans obtained by the Company, prior written consent of the lenders of the Company is required to pay any dividends. The Board may also from time to time pay interim dividend. All dividend payments are made in cash to the shareholders of the Company.

The dividends declared by the Company in fiscal 2003, 2004, 2005, 2006 and 2007 are specified below:

(Rs. in millions, except percentages)

Particulars	**Year ended March 31,**				
	2003	**2004**	**2005**	**2006**	**2007**
Number of Equity Shares of face value of Rs. 100 (except for year ended March 31, 2007)*	1.0	1.0	1.0	1.0	50.0
Rate of Dividend on Equity (%)					
Interim	Nil	Nil	Nil	Nil	Nil
Final	Nil	Nil	10	10	10
Amount of Dividend on Equity (Rs. Million)					
Interim	Nil	Nil	Nil	Nil	Nil
Final	Nil	Nil	10	10	50

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* The Company has split 1,000,000 Equity Shares of face value of Rs. 100 each to 10,000,000 Equity Shares of face value of Rs. 10 each at the EGM held on December 30, 2006. In addition, 40 million equity shares of face value Rs. 10 each were allotted pursuant to a bonus issue on December 31, 2006.

The amounts paid as dividends in the past are not necessarily indicative of the Company's dividend policy or dividend amounts in the future.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Maytas Infra Limited
(Formerly Maytas Infra Private Limited)

CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED, FOR THE YEAR ENDED MARCH 31, 2007 INCLUDING REPORT, BY THE JOINT AUDITORS AS REQUIRED BY PART II OF SCHEDULE II OF THE COMPANIES ACT, 1956

Krishna & Prasad
Chartered Accountants
#26, Ground Floor,
R.B.V.R. Reddy Hostel
Complex, Tilak Road, Abids,
Hyderabad – 500 001

S.R. Batliboi & Associates
Chartered Accountants
205, 2nd Floor,
Ashoka Bhoopal Chambers
Sardar Patel Road
Secunderabad – 500 003

SUMMARY STATEMENT OF UNCONSOLIDATED ASSETS AND LIABILITIES AND PROFITS AND LOSSES, AS RESTATED, AS AT AND FOR THE YEARS ENDED MARCH 31, 2002, 2003, 2004, 2005, 2006 AND 2007

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

To

The Board of Directors
Maytas Infra Limited
6-3-1186/5/A, 3rd floor,
Amogh Plaza, Begumpet,
Hyderabad – 500 016

Dear Sirs,

We, S.R. Batliboi & Associates (SRB) and M/s Krishna & Prasad (K&P) (collectively referred to as auditors or joint auditors) have examined the Statement of Restated Unconsolidated Financial Information of Maytas Infra Limited ('Maytas' or 'the Company') (formerly Maytas Infra Private Limited) as at and for the years ended March 31, 2007, 2006, 2005, 2004, 2003 and 2002 annexed to this report, prepared by the Company and approved by the Board of Directors, in accordance with the requirements of:

paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ('the Guidelines') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 as amended upto October 18, 2006, in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992;

the terms of reference received from the Company, requesting us to carry out the engagement, in connection with the offer document of the Company for its proposed Initial Public Offer (IPO); and

The revised Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (ICAI).

The Company proposes to make an IPO of 8,850,000 equity shares, having a face value of Rs. 10 each, at an issue price to be arrived at by the book building process (Issue).

A. Financial information as per audited financial statements:

1. The annexed Statement of Restated Unconsolidated Financial Information comprising the restated summary unconsolidated statement of assets and liabilities of the Company as at March 31, 2007, 2006, 2005, 2004, 2003 and 2002, the restated summary unconsolidated statement of profits and losses and the restated unconsolidated statement of cash flows for each of the years ended on those dates ('summary statements') (See annexure I, II and III), have been prepared by the Company and approved by the Board of Directors. The summary statements have been prepared after considering the impact of retrospective adjustments and regroupings as are appropriate and more fully described in the notes on adjustments appearing in Annexure IV to this report.

2. M/s Krishna & Prasad, Chartered Accountants have vide their report dated August 21, 2007 attached herewith, confirmed that the restated profits of Maytas Infra Limited for each of the five years ended March 31, 2006, 2005, 2004, 2003, and 2002, the restated assets and liabilities as at March 31, 2006, 2005, 2004, 2003 and March 31, 2002 and the restated cash flows for the years ended on those dates, are as set out in Annexures I to III, read together with the notes appearing in Annexure IV and the significant accounting policies followed as appearing in Annexure V, have been arrived at after making such adjustments and regroupings as, in their opinion, are appropriate in accordance with the Guidelines. SRB have relied on the aforesaid Report of M/s Krishna & Prasad and have not performed any additional procedures in connection with such restatements.

3. Further to the report of M/s Krishna & Prasad and the auditors' examination of these summary statements, we confirm that:

   The impact arising on account of changes in accounting policies adopted by the Company as at and for the year ended March 31, 2007 have been adjusted with retrospective effect in the summary statements;

   There are no material prior period items requiring adjustment in the summary statements in the above-mentioned years.

   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.

4. The summary of significant accounting policies adopted by the Company pertaining to the audited financial statements for the year ended March 31, 2007 are enclosed as Annexure V to this report.

5. We confirm that the rates of dividend proposed or paid by the Company in respect of the financial years ended March 31, 2007, 2006, 2005, 2004, 2003 and 2002 are as disclosed in Annexure VI to this report.

B. Other Financial Information:

1. At your request, we have examined the following financial information relating to the Company, proposed to be included in the offer document, as approved by the Board of Directors of the Company and annexed to this report:

   i. Capitalization Statement as at March 31, 2007, enclosed as Annexure VII

   ii. Statement of accounting ratios based on the adjusted profits relating to earnings per share, net asset value, return on net worth enclosed as Annexure VIII

   iii. Details of Secured Loans and assets charged as securities, enclosed as Annexure IX

   iv. Details of Unsecured Loans, enclosed as Annexure X

   v. Details of Sundry Debtors, enclosed as Annexure XI

   vi. Details of items of Other Income, enclosed as Annexure XII

   vii. Details of Tax Benefits available to the Company and its shareholders, enclosed as Annexure XIII

   viii. Statement of tax shelters, enclosed as Annexure XIV

2. In our opinion, the financial information as disclosed in the annexures to this report, read with the notes thereon and significant accounting policies disclosed in Annexure V, and after making adjustments and re-groupings as considered appropriate and disclosed in Annexure IV, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

3. The sufficiency of the procedures performed, as set forth in the above paragraphs of this report, is the sole responsibility of the Company. Consequently, we make no representation regarding the procedures described above either for the purposes for which this report has been requested or for any other purpose.

4. This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by M/s. Krishna & Prasad, Chartered Accountants or joint audit report issued by the joint auditors nor should this report be construed as a new opinion on any of the financial statements referred to herein.

5. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed public offer of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

M/s Krishna & Prasad
Chartered Accountants

Per Vijay Prasad
Partner
Membership No: 18791
Place: Hyderabad
Date: August 21, 2007

S.R. Batliboi & Associates
Chartered Accountants

Per Ali Nyaz
Partner
Membership No: 200427
Place: Hyderabad
Date: August 21, 2007

SUMMARY STATEMENT OF UNCONSOLIDATED ASSETS AND LIABILITIES AND PROFITS AND LOSSES, AS RESTATED, AS AT AND FOR THE YEARS ENDED MARCH 31, 2002, 2003, 2004, 2005, AND 2006

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

To

The Board of Directors
Maytas Infra Limited
6-3-1186/5/A, 3rd floor,
Amogh Plaza, Begumpet,
Hyderabad – 500 016

Dear Sirs,

We, have examined the unconsolidated financial information of Maytas Infra Limited ('Maytas' or 'the Company') (formerly Maytas Infra Private Limited) as at and for the years ended March 31, 2006, 2005, 2004, 2003 and 2002, annexed to this report, prepared by the Company and approved by the Board of Directors, 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') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 as amended upto October 18, 2006, in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992;

c. the terms of reference received from the Company, requesting us to carry out the engagement, in connection with the offer document of the Company for its proposed Initial Public Offer; and

d. The revised Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (ICAI).

The Company proposes to make an IPO of 8,850,000 equity shares, having a face value of Rs. 10 each, at an issue price to be arrived at by the book building process.

Financial information as per audited financial statements:

1. We have examined the annexed restated unconsolidated summary statement of assets and liabilities of the Company as at March 31, 2006, 2005, 2004, 2003 and 2002 the annexed restated unconsolidated summary statement of profits and losses and the annexed restated unconsolidated statement of cash flows for each of the years ended on those dates ('summary statements') (See annexure I, II and III), as prepared by the Company and approved by the Board of directors. These summary statements have been prepared by the Company and approved by the Board of Directors. The summary statements have been prepared after considering the impact of retrospective adjustments and regroupings as are appropriate and more fully described in the notes on adjustments appearing in Annexure IV to this report.

2. We confirm that the restated profits of Maytas Infra Private Limited for each of the five years ended March 31, 2006, 2005, 2004, 2003, and 2002, the restated assets and liabilities as at March 31, 2006, 2005, 2004, 2003 and 2002, and the restated cash flows for the years ended on those dates,- are as set out in Annexures I to III, read together with notes appearing under the Statement of Profits and Losses and Statement of Assets and Liabilities, along with accounting policies followed, have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in annexure IV and the significant accounting policies followed as appearing in Annexure V are appropriate in accordance with the guidelines.

3. We confirm that:

The impact arising on account of changes in accounting policies adopted by the Company have been adjusted with retrospective effect in the summary statements;

There are no material prior period items requiring adjustment in the summary statements in the above-mentioned period/years.

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.

4. In our opinion, the financial information as disclosed in the annexures to this report, read with the notes and significant accounting policies disclosed in Annexure V and after making adjustments and re-groupings as considered appropriate and disclosed in Annexure IV, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

5. The sufficiency of the procedures performed, as set forth in the above paragraphs of this report, is the sole responsibility of the Company. Consequently, we make no representation regarding the sufficiency of the procedures described above either for the purposes for which this report has been requested or for any other purpose.

6. This report should not be in any way construed as a reissuance or redating 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.

7. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed public offer of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

M/s Krishna & Prasad
Chartered Accountants

(B. Vijaya Prasad)
Partner
Membership No: 18791

Place : HYDERABAD
Date : August 21, 2007

Annexure I

Unconsolidated summary statement of assets and liabilities, as restated
(All the amounts in Rs. Million except for share data or as otherwise stated)

	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
Fixed assets						
Gross block	1,507.47	560.22	310.95	264.03	287.04	210.08
Less: accumulated depreciation	251.42	145.39	108.90	90.20	75.34	51.09
Net block	1,256.05	414.83	202.05	173.83	211.70	158.99
Capital work-in- progress (including capital advances)	390.04	27.14	-	-	-	-
	1,646.09	**441.97**	**202.05**	**173.83**	**211.70**	**158.99**
Investments	1,690.10	957.64	581.62	49.86	45.53	140.80
Current Assets, Loans and Advances						
Inventories	873.40	101.29	80.27	69.50	87.24	76.78
Cash and bank balances	548.10	215.40	180.86	151.22	113.81	87.44
Sundry debtors	2,283.78	858.60	642.02	436.96	356.42	277.50
Loans and advances	2,291.14	1,533.12	1,438.98	1,374.50	1,430.76	1,404.26
	9,332.61	**4,108.02**	**3,125.80**	**2,255.87**	**2,245.46**	**2,145.77**
Liabilities and provision						
Liabilities	2,256.56	820.05	622.24	583.18	620.97	529.67
Provisions	64.18	35.14	13.23	1.40	1.12	1.02
Secured loans	2,553.62	724.66	233.23	156.38	201.03	188.63
Unsecured loans	1,749.24	341.01	316.29	145.12	119.37	134.40
Deferred tax liability (net)	56.38	26.10	30.54	27.67	23.09	-
	6,679.98	**1,946.96**	**1,215.53**	**913.75**	**965.58**	**853.72**
Net worth	**2,652.63**	**2,161.06**	**1,910.27**	**1,342.12**	**1,279.88**	**1,292.05**
Represented by:						
Share capital						
Equity share capital	500.00	100.00	100.00	100.00	100.00	100.00
Reserves and surplus						
General reserve	65.23	15.24	15.24	15.24	15.24	5.62
Profit and loss account	2,087.40	2,045.82	1,795.03	1,226.88	1,164.66	1,186.49
Miscellaneous Expenses (to the extent not written off or adjusted)	-	-	-	-	(0.02)	(0.06)
Net worth	**2,652.63**	**2,161.06**	**1,910.27**	**1,342.12**	**1,279.88**	**1,292.05**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies as appearing in Annexure IV and in Annexure V

As per our report of even date

For Krishna & Prasad
Chartered Accountants

Per
B.Vijaya Prasad
Partner
Membership No.18791
Date: August 21, 2007

For S.R. Batliboi & Associates
Chartered Accountants

Per
Ali Nyaz
Partner
Membership No.200427
Date: August 21, 2007

For and on behalf of the Board
Maytas Infra Limited

B. Teja Raju
Vice Chairman

PK Madhav
Wholetime Director

V.V. R. Raju
Chief Financial Officer

J Veerraju
Company Secretary

Place: Hyderabad

Annexure II

Unconsolidated summary statement of profit and losses, as restated
(All the amounts in Rs. Million except for share data or as otherwise stated)

	For the year ended 31 March, 2007	For the year ended 31 March, 2006	For the year ended 31 March, 2005	For the year ended 31 March, 2004	For the year ended 31 March, 2003	For the year ended 31 March, 2002
Income						
Contract revenues	7,876.71	3,883.73	2,886.71	2,037.03	1,200.99	1,878.96
Less : Company's share of turnover in integrated Joint Ventures	1,866.65	1,719.45	818.63	526.54	19.70	791.07
	6,010.06	2,164.28	2,068.08	1,510.49	1,181.29	1,087.89
Other income	39.01	10.46	569.28	26.65	25.18	47.03
Accretion/(Decretion) to Work in progress	357.67	57.97	(11.92)	(22.93)	11.39	26.62
	6,406.74	**2,232.71**	**2,625.44**	**1,514.21**	**1,217.86**	**1,161.54**
Expenditure						
Material consumed	1,658.69	352.35	237.99	137.06	127.26	254.65
Personnel expenses	205.09	75.42	38.69	33.90	26.20	19.11
Contract, administrative and selling expenses	3,538.18	1,430.98	1,589.11	1,221.35	979.26	836.64
Financial expenses	176.89	75.98	26.97	18.95	34.46	25.74
Depreciation	113.10	46.36	28.50	30.54	28.57	21.07
Miscellaneous expenses written off	-	-	-	0.02	0.05	0.05
Investments written off	-	-	-	-	-	30.72
	5,691.95	**1,981.09**	**1,921.26**	**1,441.82**	**1,195.80**	**1,187.98**
Add : Company's share in Profit/(Loss) in integrated Joint Ventures	80.07	103.60	(10.60)	5.61	(7.25)	37.43
Profit before tax	**794.86**	**355.22**	**693.58**	**78.00**	**14.81**	**10.99**
Provision for taxation						
- Current tax	(210.00)	(96.14)	(111.26)	(11.19)	(3.94)	(26.46)
- Fringe benefit tax	(4.50)	(1.33)	-	-	-	-
- Deferred tax	(30.28)	4.44	(2.87)	(4.59)	(7.70)	-
Profit after tax	**550.08**	**262.19**	**579.45**	**62.22**	**3.17**	**(15.47)**
Add: Balance brought forward from previous years	2,045.82	1,795.03	1,226.88	1,164.66	1,186.49	1,201.96
Profit available for appropriation	**2,595.90**	**2,057.22**	**1,806.33**	**1,226.88**	**1,189.66**	**1,186.49**
Appropriations						
Proposed dividend	50.00	10.00	10.00	-	-	-
Dividend tax	8.50	1.40	1.30	-	-	-
General reserve	450.00	-	-	-	25.00	-
Surplus carried to Balance Sheet	**2,087.40**	**2,045.82**	**1,795.03**	**1,226.88**	**1,164.66**	**1,186.49**

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies and notes to accounts as appearing in Annexure IV and in Annexure V

As per our report of even date

For Krishna & Prasad
Chartered Accountants

Per
B.Vijaya Prasad
Partner
Membership No.18791
Date: August 21, 2007

For S.R. Batliboi & Associates
Chartered Accountants

Per
Ali Nyaz
Partner
Membership No.200427
Date: August 21, 2007

For and on behalf of the Board
Maytas Infra Limited

B. Teja Raju
Vice Chairman

PK Madhav
Wholetime Director

V.V. R. Raju
Chief Financial Officer

J Veerraju
Company Secretary

Place: Hyderabad

Annexure III

Unconsolidated summary statement of Cash flows, as restated
(All the amounts in Rs. Million except for share data or as otherwise stated)

		For the year ended 31 March, 2007	For the year ended 31 March, 2006	For the year ended 31 March, 2005	For the year ended 31 March, 2004	For the year ended 31 March, 2003	For the year ended 31 March, 2002
A	**Cash flow from operating activities**						
	Net Profit before tax	**794.86**	**355.22**	**693.58**	**78.00**	**14.81**	**10.99**
	Adjustments for:						
	Depreciation	113.10	46.36	28.50	30.54	28.57	21.07
	Investments written off	-	-	-	-	-	30.72
	Share of Joint venture (profits)/Losses	(80.07)	(103.60)	10.60	(5.61)	7.25	(37.43)
	Foreign exchange loss (net)	0.03	-	-	-	-	-
	Provision for Retirement Benefits	1.95	0.63	0.52	0.27	0.11	1.02
	Interest expense	162.39	49.55	22.29	18.89	32.64	21.84
	Interest income	(47.13)	(8.40)	(6.80)	(7.82)	(19.37)	(18.45)
	Dividend income	-	-	(0.48)	(5.96)	(2.62)	(1.91)
	(Profit)/Loss on Sale of Fixed Assets	0.29	5.52	(8.59)	(7.73)	(0.07)	(3.94)
	Profit on sale of investments	-	-	(550.18)	-	-	(19.47)
	Operating profit before working capital changes	**945.42**	**345.28**	**189.44**	**100.58**	**61.32**	**4.44**
	Movements in working capital:						
	Decrease/(Increase) in Inventories	(772.11)	(21.02)	(10.77)	17.74	(10.47)	(20.06)
	Decrease/(Increase) in Sundry debtors	(1,483.59)	(216.58)	(205.06)	(80.54)	(78.92)	481.12
	Decrease/(Increase) in Loans and advances	(548.41)	(165.03)	(327.72)	206.41	59.84	(673.47)
	Increase/(Decrease) in Current Liabilities	1,411.82	191.89	14.10	(37.80)	91.30	219.34
	Cash generated from/(used in) operations	**(446.87)**	**134.54**	**(340.01)**	**206.39**	**123.07**	**11.37**
	Direct taxes paid	(203.27)	(13.13)	(53.28)	(3.20)	-	(2.91)
	Net cash (used in)/from operating activities	**(650.14)**	**121.41**	**(393.29)**	**203.19**	**123.07**	**8.46**
B	**Cash flows from investing activities**						
	Purchase of fixed assets	(1,254.46)	(301.20)	(86.11)	(29.05)	(86.09)	(63.08)
	Sale of fixed assets	1.27	9.39	37.98	44.11	4.88	27.41
	Purchase of Investments	(665.60)	(384.45)	(517.41)	(0.43)	(2.28)	-
	Share application money	(165.39)	7.15	205.24	(156.40)	-	-
	Sale of investments	0.28	122.19	550.19	-	-	19.47
	Interest received	28.91	4.74	6.82	7.81	19.38	18.53
	Dividend received	-	-	0.48	5.96	2.62	1.91
	Intangible assets	-	-	-	0.02	0.04	0.04
	Net cash (used in)/from investing activities	**(2,054.99)**	**(542.18)**	**197.19**	**(127.98)**	**(61.45)**	**4.28**

	For the year ended 31 March, 2007	For the year ended 31 March, 2006	For the year ended 31 March, 2005	For the year ended 31 March, 2004	For the year ended 31 March, 2003	For the year ended 31 March, 2002
C Cash flows from financing activities						
Proceeds from long term borrowings	3,161.12	523.59	206.94	45.00	164.50	83.04
Proceeds from Short term borrowings	683.49	59.65	95.03	19.12	4.10	43.61
Repayment of long term borrowings	(651.81)	(67.07)	(53.94)	(83.03)	(171.21)	(43.77)
Interest paid	(143.57)	(49.55)	(22.29)	(18.89)	(32.64)	(21.84)
Dividend paid	(10.00)	(10.00)	-	-	-	(10.00)
Dividend tax	(1.40)	(1.31)	-	-	-	(1.02)
Net Cash from/(used in) financing activities	**3,037.83**	**455.31**	**225.74**	**(37.80)**	**(35.25)**	**50.02**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**332.70**	**34.54**	**29.64**	**37.41**	**26.37**	**62.76**
Cash and Cash Equivalents - Opening Balance	**215.40**	**180.86**	**151.22**	**113.81**	**87.44**	**24.68**
Cash and Cash Equivalents * - Closing Balance	**548.10**	**215.40**	**180.86**	**151.22**	**113.81**	**87.44**

* Includes restricted cash balances

The above statement should be read with the notes on adjustments to restated financial statements, significant accounting policies as appearing in Annexure IV and in Annexure V.

As per our report of even date

For Krishna & Prasad
Chartered Accountants

Per
B.Vijaya Prasad
Partner
Membership No.18791
Date: August 21, 2007

For S.R. Batliboi & Associates
Chartered Accountants

Per
Ali Nyaz
Partner
Membership No.200427
Date: August 21, 2007

For and on behalf of the Board
Maytas Infra Limited

B. Teja Raju
Vice Chairman

PK Madhav
Wholetime Director

V.V. R. Raju
Chief Financial Officer

J Veerraju
Company Secretary

Place: Hyderabad

Annexure – IV: Notes annexed to and forming part of the Restated Financial Information

(All amounts in Rs. Million except for share data or otherwise stated)

A. The summary of the restatements made to the audited unconsolidated financial statements for the respective years and its effect on the profits of the Company for those years is provided below.

SUMMARY STATEMENT OF ADJUSTMENTS

	March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003	March 31, 2002
Profit after tax as per audited financial statements	531.20	224.62	568.08	34.44	21.10	40.64
Adjustments:						
Provision for retirement benefits (*refer note 1*)	2.55	(0.63)	(0.52)	(0.27)	(0.11)	(1.02)
Prior period items *(refer note 2)*	-	-	0.24	0.11	(0.20)	0.09
Profit/(Loss) from joint venture operations *(refer note 3)*	3.91	6.02	(1.93)	0.21	(8.21)	-
Investments written down *(refer note 4)*	-	-	-	30.72	-	(30.72)
Sub total	**537.66**	**230.01**	**565.87**	**65.21**	**12.58**	**8.99**
Taxes related to earlier years *(refer note 5)*	1.21	28.67	16.45	1.59	(2.14)	(24.46)
Deferred tax *(refer note 6)*	11.21	3.51	(2.87)	(4.58)	(7.27)	-
Profit as per statement of restated financial information	**550.08**	**262.19**	**579.45**	**62.22**	**3.17**	**(15.47)**

B. Notes to summary statement of adjustments

1. **Provision for retirement benefits**

For the year ended March 31, 2007, the Company has, for the first time, accounted for retirement benefits on the basis of an actuarial valuation of those benefits as required by Accounting Standard -15 (AS -15) issued by the Institute of Chartered Accountants of India (ICAI). Consequently, for the purpose of this statement the charge to the profit and loss account and the carrying value of the liability towards retirement benefits has been restated for each of the years presented on the basis of such actuarial valuation.

2. **Prior period items**

Certain items, identified and disclosed as prior period items in the audited financial statements of each of the years presented, have, for the purpose of this statement, been restated to the extent identified, in the respective years in which such adjustments arose.

3. **Joint venture operations**

The audited financial statements for the year ended March 31, 2003, did not include the share of profit/loss from one of the joint venture operations as the information was not available as on the date of adoption of financial statements. The same had been recognized in the subsequent financial year ending March 31, 2004. Similarly, for the financial years ended March 31, 2004, March 31, 2005, the share of profit/loss from the aforesaid joint venture operations had been recognized in the year subsequent to the financial years to which they are related. For the purpose of this statement the said profits/losses have been restated on the basis of the audited financial statements of the joint venture in the respective financial years. Further, the audited financial statements for the year ended March 31, 2006 did not include the share of profit/loss from the aforesaid joint venture which is now recognized for the purpose of this statement.

4. **Investments written down**

The audited financial statements for the year ended March 31, 2004 included write down of an investment made in the prior years as such investment was considered to be permanently impaired. For the purpose of this statement, the amount written down has been restated to the year to which such investment related.

5. **Taxes related to earlier years**

The audited financial statements for each of the years presented included adjustments towards current taxes related to earlier years, determined on the basis of assessment orders subsequently made, in respect of those years. For the purpose of this statement, the charge to the profit and loss account and the carry forward balance of the provision for taxation has been restated to the respective years to which such taxes related. Consequent to such restatement, the profit and loss account as at April 1, 2001 has been restated as follows:

Rs. Million

Balance in the Profit and loss account as at April 1, 2001 (as per audited financial statements)	1,223.52
Adjustment towards Income taxes for the year 1999-2000	2.78
Adjustment towards Income taxes for the year 2000-2001	18.78
Balance in the Profit and loss account as at April 1, 2001 (considered for restated financial information).	**1,201.96**

6. **Deferred taxes**

The Company adopted Accounting Standard 22 (AS -22) – *Accounting for taxes on income* as issued by the ICAI for the first time in preparing the financial statements for the year ended March 31, 2003. For the purpose of this statement, AS -22 has not been applied for the years ended March 31, 2002 and 2001 as the same was not applicable in those years. Deferred tax liability/ (asset) for the financial years ended March 31, 2004, 2005 and 2006 has been restated to give effect to changes relating to measurement differences.

7. **Material regrouping**

7.1 **Balances related to joint ventures**

The Company, in the current financial year, has re-evaluated the nature of its interest in joint venture operations and determined that its interest in such operations are more in the nature of interest in "jointly controlled entities" rather than "jointly controlled operations". Whilst such determination does not require any restatement of the earlier reported amounts of profit or losses from joint venture operations, the Company has, for the purpose of this statement, restated the earlier reported amounts of turnover, expenses, investments and other related balance sheet/profit and loss account captions such that, the manner of presentation for all earlier periods presented is consistent with the manner of presentation adopted in presenting the financial statements as at and for the year ended March 31, 2007.

7.2 **Retention monies**

Consistent with the manner of presentation adopted in the financial statements as at and for the Year ended March 31, 2007, the Company has, for all earlier periods presented, regrouped amounts receivable towards retention monies to include such receivables under the caption "Sundry Debtors" as against disclosing them as deposits under the caption other current assets.

7.3 **Sundry debtors**

Consistent with the manner of presentation adopted in the financial statements as at and for the year ended March 31, 2007, the Company has, disclosed the balance in the "sundry debtors" account as a separate schedule to the balance sheet as against grouping such debtor balances under the caption "other current assets" as hitherto disclosed. Further, amounts receivable on sale of investments earlier included in sundry debtors have been now regrouped under the caption loans and advance as other receivables.

7.4 **Cash and bank balances**

Consistent with the manner of presentation adopted in the financial statements as at and for the year ended March 31, 2007, balances of fixed deposits with banks which were hitherto disclosed as deposits under the caption other current assets have been regrouped as cash and bank balances.

7.5 **Loans and advances**

Consistent with the manner of presentation adopted in the financial statements as at and for the year ended March 31, 2007, certain receivables and asset balances such as deposits made, interest receivable, prepaid expenses, sales tax and other taxes deducted at source etc which had in earlier years been grouped under other current assets have now been regrouped under the caption loans and advances.

7.6 **Current liabilities**

Consistent with the manner of presentation adopted in the financial statements as at and for the year ended March 31, 2007. Other liabilities have been shown as a separate line item under the schedule current liabilities which was hitherto included under various line items such as sundry creditors, outstanding liabilities for expenses, withholding taxes and sales tax payable.

7.7 **Current and deferred tax liability**

Consistent with the manner of presentation adopted in the financial statements as at and for the year ended March 31, 2007, the Company's liability towards deferred tax hitherto disclosed under current liabilities has now been disclosed as a separate component of the balance sheet. Further, advance taxes paid towards current tax liability which were hitherto disclosed as a separate asset have now been netted against the balance in the provision for taxation and the resultant net debit or credit balance has been regrouped under loans and advances or current liabilities as the case may be.

7.8 **Other miscellaneous regrouping**

Consistent with the manner of presentation adopted in the financial statements as at and for the year ended March 31, 2007, certain expenses such as consultancy fee paid which were hitherto grouped under personnel expenses have now been regrouped as legal and professional charges. Similarly, income from hiring out equipments which was earlier reduced from hire charges paid for equipment hired by the Company has now been regrouped as contract revenues for all periods presented.

Annexure V: Summary of significant accounting policies

(All amounts in Rs. Million except for share data or otherwise stated)

1. **Statement of significant accounting policies**

a. **Basis of preparation**

The accompanying financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes therein discussed below, are consistent with those used in the previous year.

b. **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

i. Revenue from long term construction contracts is recognized on the percentage of completion method. Percentage of completion is determined on the basis of surveys performed. However, profit is not recognized unless there is reasonable progress on the contract. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the income statement of the period in which revisions are made. The revenue on account of claims is accounted for based on Management's estimate of the probability that such claims would be admitted either wholly or in part.

ii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii. Dividend is recognised as and when the right to receive payment is established.

iv. Income from currency swaps and other similar instruments are recorded upon settlement or termination of the relevant contracts.

v. Income from investments made in integrated joint ventures registered in the form of partnership firms or AOPs are classified as Jointly Controlled Entities [in terms of Accounting Standard (AS)-27 "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India] and Company's share in profit/losses of the respective entities is recognized on accrual basis.

c. **Fixed assets**

i. Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/ subsidies if any. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use.

ii. Depreciation is provided on straight line method, based on useful life of the assets as estimated by the Management which coincides with rates prescribed under Schedule XIV to the Companies Act, 1956

iii. Assets costing Rs 0.00 million or less are fully depreciated in the year of purchase.

Depreciation on the following fixed assets is provided on a straight-line basis, at the rates that are higher than those specified in Schedule XIV to the Companies Act, 1956 and are based on useful lives as estimated by Management. The useful lives determined are as follows.

iv. Tools and implements are depreciated fully in the year of purchase

v. Plant and machinery – construction equipment at project sites is depreciated at the rate of 11.3 percent.

vi. Temporary erections in the form of sheds, camps etc are depreciated over the period of the respective project.

d. Investments

i. Investments in readily realisable securities that are intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

ii. Long-term investments are carried at cost. Provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments. Current investments are carried at lower of cost and market value determined on individual investment basis.

e. Inventories

i. Materials at site are valued at the lower of cost and estimated net realizable value. Cost is determined on a weighted average basis.

ii. Work- in-progress related to project and construction is valued at cost till such time the outcome of the related project is ascertained reliably and at contractual rates thereafter.

iii. Net realisable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to effect the sale.

f. Retirement and other employee benefits

i. The Company's contribution to Provident Fund is recognised on accrual basis.

ii. Liability towards gratuity and leave encashment is provided on the basis of an actuarial valuation carried out at the end of each financial year.

g. Income taxes

i. Tax expense consists of current, deferred and fringe benefit taxes. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Where the Company has carry forward of unabsorbed depreciation or tax losses deferred tax assets are recognized only if it is virtually certain backed by convincing evidence that such deferred tax assets can be realized against future taxable profits.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become virtually certain that future taxable income will be available against which such deferred tax assets can be realised.

h. Foreign currency transactions

Initial recognition

i. Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction. Exchange rate differences are recognized in the profit and loss account.

Conversion

i. Foreign currency monetary items are reported at contract rates and/or at year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

Forward exchange contracts not intended for trading or speculation purposes

i. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense of the year.

i. Leases

Where the Company is a Lessee

a) Leases, where the substantial risks and benefits incidental to ownership of the leased item are transferred to the Company, are classified as finance leases. Assets under finance leases, where there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized assets are depreciated over the tenure of the lease or estimated useful life of the asset whichever is shorter.

b) Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

c) Assets acquired under finance lease are depreciated on straight line basis over the lease term.

Where the Company is a Lessor

Assets under operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

j. Accounting for joint ventures

Accounting for Investment in joint ventures being Jointly Controlled Entities, are accounted for in accordance with the requirements of AS – 27 “Financial Reporting of Interests in Joint Venture” issued by the Institute of Chartered Accountants of India. The net investment in the integrated Joint ventures is reflected as investment, loans and advances or current liabilities.

k. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average of number of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

m. Provisions

A provision is recognised when the Company has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Annexure VI

Details of rates of dividend as per restated financial information

The rate of dividend declared by the Company in respect of equity shares for the last six financial years as applicable are presented below:

(All amounts in Rs Million except for share data or as otherwise stated)

Particulars	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
Final dividend	10%	10%	10%	-	-	-
Amount of dividend paid	-	10.00	10.00	-	-	-
Amount of proposed dividend	50.00	-	-	-	-	-

Annexure VII

Capitalisation statement as per restated financial information
(All the amounts in Rs. Million except for share data or as otherwise stated)

	Pre issue as at March 31, 2007	Post issue **
Debt		
Long term debt *	3,367.40	
Working capital loan	935.46	
	4,302.86	**-**
Shareholders' funds		
Issued, subscribed and paid up Share capital (50,000,000 equity shares of Rs.10 each)	500.00	
Reserves and surplus	2,152.63	
	2,652.63	**-**
Long term debt/equity	**1.3**	

* Long term debt includes mobilisation advance of Rs.1,707.88 Million, Finance lease obligation of Rs.40.73 Million and current portion of long term debt payable over the next 12 months as at March 31, 2007

** Shareholders' funds post issue can be calculated only on the conclusion of the book building process

Note: Reserves and surplus includes Profit and Loss account balance of Rs.2087.40 Million

$$\text{Long term debt/equity} \quad \frac{\text{Long term debt}}{\text{Total Shareholders' Funds}}$$

Annexure VIII

Summary of accounting ratios as per restated financial information
(All amounts in Indian Rupees except for share data or as otherwise stated)

	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
Earnings per share (refer note 1 and 2)						
Basic and diluted	11.00	5.24	11.59	1.24	0.06	(0.31)
Net asset value per share (refer note 2)	53.05	216.11	191.03	134.21	127.99	129.20
Return on net worth (%)	20.7	12.1	30.3	4.7	0.3	*
Weighted average number of equity shares considered for basic and diluted earnings per share	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Weighted average number of equity shares considered for calculation of net asset value per share (Refer Note 2)	50,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

* not applicable as the networth is negative as at the balance sheet date.

Note 1: *On December 30, 2006 the shareholders of the Company approved the issue of bonus equity shares in the ratio of 4:1. The calculation of basic and diluted earnings/loss per share has been adjusted for all periods presented for bonus equity shares issued in accordance with the requirements of AS -20 "Earnings Per Share" issued by the ICAI.*

Note 2: *On December 30, 2006 the shareholders approved the split of equity share of Rs 100 each into 10 equity shares of Rs 10 each. Accordingly, the earnings per share is calculated after adjusting the number of shares for the effect of the share split for all periods presented. Similarly the net asset value per share is reflected at a par value of Rs 10 per share for all periods presented.*

Note 3: *Net worth = Equity Share capital + Reserves and surplus - Miscellaneous expenditure*

EARNINGS PER SHARE (Rs.)
$$\frac{\text{Net profit/loss after tax, as restated attributable to equity Shareholders}}{\text{Weighted average number of Equity shares outstanding during the year}}$$

NET ASSET VALUE PER SHARE (Rs.)
$$\frac{\text{Net worth as restated at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

RETURN ON NET WORTH (%)
$$\frac{\text{Net profit after tax as restated}}{\text{Net worth as restated at the end of the year}}$$

Annexure IX

I) Details of Secured loans as per restated financial information
(All the amounts in Rs. Million except for share data or as otherwise stated)

	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
A) Working capital loans from banks	935.46	251.97	192.32	97.29	78.17	74.07
B) Term loans						
I) From banks	1,411.04	422.66	33.81	32.80	32.84	54.87
II) From institutions	203.66	50.03	7.10	26.29	90.02	59.69
C) Interest accrued and due	3.46	-	-	-	-	-
Total	**2,553.62**	**724.66**	**233.23**	**156.38**	**201.03**	**188.63**

II) Details of principal terms and conditions of loans outstanding as at March 31, 2007

	Name of the lender	Loan amount outstanding as at March 31, 2007	Rate of interest	Repayment terms	Security
A)	**Working capital loans from Banks**				
	Allahabad Bank	80.78	12.5% payable monthly	Repayable on demand	Note 1
	Bank of Maharashtra	98.77	11% payable	Repayable on monthly	Note 1 demand
	Centurion Bank of Punjab Ltd	142.22	10.8% payable monthly	Repayable on demand	Note 1
	IDBI	20.05	11.3% payable monthly	Repayable on demand	Note 1
	State Bank of India	191.49	13.8% payable monthly	Repayable on demand	Note 2
	Central Bank of India	14.15	10.50% payable monthly	Repayable on demand	Note 3
	ICICI Bank Ltd	19.66	14.3% payable monthly	Repayable on demand	Note 3
	Punjab National Bank	33.45	12.8% payable monthly	Repayable on demand	Note 3
	UTI Bank Ltd	334.89	11% payable monthly	Repayable on demand	Note 3
		935.46			

Name of the lender	Loan amount outstanding as at March 31, 2007	Rate of interest	Repayment terms	Security
B) Term loans				
I) From banks				
Bank of India	31.09	9.8% payable monthly	24 months from March'06	Note 4
State Bank of India	82.00	13.8% payable monthly	14 Months from Dec'06	Note 4
ICICI Bank Ltd A/c 2230	15.00	12.4% payable monthly	Repayable by August 14, 2007 in monthly installments	Note 4
ICICI Bank Ltd A/c 2254	72.50	12.4% payable monthly	Repayable by August 14, 2007 in monthly installments	Note 5
I D B I Bank Ltd A/c 1076	97.50	10.5% payable monthly	Rs. 5,000,000 per month upto March 2008	Note 5
I D B I Bank Ltd A/c 1021	80.36	10.5% payable monthly	Repayable by June 30, 2007	Note 5
ECB State Bank of India	449.82	9.4% payable half yearly	Repayable within 5 years by November 19, 2011	Note 6
Term Loan from HDFC	45.26	7.0% - 9.5% payable monthly	Repayable in equated monthly installments within the period December 5, 2007 and July 15, 2009	Note 6
Term Loan from ICICI	63.26	6.5% - 9.5% payable monthly	Repayable in equated monthly installments within the period January 22, 2007 and September 22, 2009	Note 6
Term Loan from SBI IFB	6.86	13% payable quarterly	Repayable Quarterly by May 2008	Note 8
Loan from UTI	126.94	3.8% payable monthly	Repayable by January 2007	Note 8
Vehicle loan from ICICI	0.46	4.5% payable monthly	Repayable in 25 monthly installments by June 7, 2007	Note 6
Allahabad Bank	160.00	10.50% payable monthly	Repayable by July 15, 2007	Note 7
Term Loan from IDBI	180.00	12% payable monthly	Repayable by Sep 15, 2007	Note 5
	1,411.04			

	Name of the lender	Loan amount outstanding as at March 31, 2007	Rate of interest	Repayment terms	Security
II)	**From institutions**				
	Magma Leasing	179.21	8.9% - 9.5% payable monthly	Repayable in equated monthly installments within the period March 1, 2009 and June 1, 2009	Note 6
	Srei International	3.41	6.0% payable monthly	Repayable in equated monthly installments within the period March 1, 2007 and June 1, 2007	Note 6
	Tata Finance	16.15	6.1% -8.8% payable monthly	Repayable in equated monthly installments within the period July 22, 2007 and April 11, 2009	Note 6
	Kotak Mahindra Finance – Vehicle loans	4.89	12.3% payable monthly	Repayable in 36 equated monthly installments by 15th March, 2010	Note 6
		203.66			

Notes

1. Secured by way of first pari passu charge on stock, book debts and other current assets of the Company. These loans are further secured by personal guarantee of Vice Chairman of the Company.
2. Secured by way of first pari passu charge on stock, book debts and other current assets of the Company and also by a pari passu first charge on unencumbered fixed assets of the Company. These loans are further secured by personal guarantee of Vice Chairman of the Company.
3. Secured by way of first pari passu charge on stock, book debts and other current assets of the Company and second charge on the fixed assets of the Company. These loans are further secured by personal guarantee of Vice chairman of the Company.
4. Secured by way of first and exclusive charge on the current assets of the specific projects financed by the bank. These loans are further secured by personal guarantee of Vice chairman of Company.
5. Secured by way of pari passu first charge on the current assets of the Company. These loans are further secured by personal guarantee of Vice chairman of the Company.
6. Secured by hypothecation of specific machinery for which loans have been availed.
7. Secured by pari passu first charge on unencumbered fixed assets of the Company of Rs. 114 Million and personal guarantee of Vice chairman of the Company.
8. Secured by hypothecation of specific machinery for which loans have been availed and personal guarantee of the Vice Chairman of the Company.

Annexure X

I) Details of unsecured loans as per restated financial information
(All amounts in Rs. Million except for share data or otherwise stated)

	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
i) From directors	-	5.53	5.53	5.66	3.85	4.12
ii) From others	0.63	27.69	29.95	29.95	36.38	36.38
iii) Finance Lease Obligation	40.73	-	-	-	-	-
iii) Mobilisation advance	1,707.88	307.79	280.81	109.51	79.14	93.90
Total	**1,749.24**	**341.01**	**316.29**	**145.12**	**119.37**	**134.40**

Notes

I) Loans from directors are interest free loans repayable on demand.

II) Details of principal terms and conditions of loans outstanding as at March 31, 2007

1) Loans from others include loan from one of the promoter, B Jhansi Rani

2) Rate of interest vary with contract and range from nil to 12% per annum.

Annexure XI

Details of sundry debtors as per restated financial information

(All amounts in Rs. Million except for share data or otherwise stated)

Particulars	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
Debts outstanding for a period exceeding six months						
Unsecured, considered good	199.20	234.90	53.94	90.74	126.99	80.59
Unsecured, considered doubtful	-	-	-	-	-	-
Other debts						
Unsecured, considered good	1,625.38	401.65	448.51	193.41	114.06	117.18
Unsecured, considered doubtful	-	-	-	-	-	-
Retention money	459.20	222.05	139.57	152.81	115.37	79.73
Total	**2,283.78**	**858.60**	**642.02**	**436.96**	**356.42**	**277.50**

Annexure XII

Details of other income as per restated financial information
(All amounts in Rs. Million except for share data or otherwise stated)

Source of Income	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Year ended March 31, 2004	Year ended March 31, 2003	Year ended March 31, 2002	Nature	Related / Not Related to Business Activity
Other income as restated	**39.01**	**10.46**	**569.28**	**26.65**	**25.18**	**47.03**		
Net profit before tax, as per summary statement of Profits and Losses as restated	**794.86**	**355.22**	**693.59**	**78.00**	**14.81**	**10.99**		
Percentage	**4.9**	**3.0**	**82.1**	**34.2**	**170.0**	**427.9**		
Source of Income								
Interest income	35.14	8.39	6.80	7.82	19.37	18.45	Recurring	Related
Miscellaneous receipts	3.53	1.48	3.11	9.40	4.86	4.43	Recurring	Related
Profit on sale of assets	0.34	0.59	9.19	9.43	0.95	4.68	Recurring	Related
Profit on sale of investments	-	-	550.18	-	-	19.47	Non recurring	Not related
Total	**39.01**	**10.46**	**569.28**	**26.65**	**25.18**	**47.03**		

Annexure XIII

STATEMENT OF POSSIBLE BENEFITS AVAILABLE TO MAYTAS INFRA LIMITED AND ITS SHAREHOLDERS

1. **BENEFITS AVAILABLE TO THE COMPANY**

Under the Income-tax Act, 1961 ('Act')

General Tax Benefits

1.1 Dividend income

Dividend income, if any, received by the Company from its investment in shares of another Domestic Company will be tax-exempt under section 10(34) read with section 115O of the Act. Dividend income received on units of a Mutual Funds specified under section 10(23D) of the Act will be tax-exempt under section 10(35) of the Act.

1.2 Capital gains

Capital assets are to be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a Company or any other listed securities or units of UTI or Mutual Fund units or Zero coupon bonds) are considered to be long-term capital assets if they are held for a period in excess of 36 months. Shares held in a Company or any other listed securities or units of UTI and Mutual Fund units or Zero coupon bonds are considered as long term capital assets if these are held for a period exceeding 12 months. 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, for resident shareholders 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.

Under section 112 of the Act, long-term gains are subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). Long-term capital gains arising on sale of equity shares and units of equity oriented mutual fund (as defined) under section 10(23D) which are subject to Securities Transaction Tax are exempt from tax under section 10(38) of the Act. However, incase where Securities Transaction Tax is not levied such tax could be limited to 10 percent (plus applicable surcharge and education cess) without indexation benefit, at the option of the shareholder.

Under section 111A of the Act, short-term capital gains arising on sale of equity shares and units of equity oriented mutual fund (as defined) under section 10(23D) on recognized stock exchange are subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), provided the transfer is chargeable to Securities Transaction Tax levied.

1.3 Exemption of capital gains from income tax

As per the provisions of section 54EC of the Act and subject to conditions specified therein, long-term capital gains are not chargeable to tax to the extent they are invested in certain "long term specified assets" within six months from the date of transfer. Further the exemption on investment in 'long term specified asset' is restricted to Rs 50 Lakhs for a financial year. If the Company transfers or converts the "long term specified assets" into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of gain exempted earlier would become chargeable to tax in such year. The "long term specified assets" specified for this section are bonds, redeemable after three years, issued by the National Highway Authority of India (NHAI), and the Rural Electrification Corporation Ltd. (REC).

1.4 Minimum Alternate Tax ('MAT') Credit

According to section 115JB of the Act, MAT is applicable to a company if the tax payable by a company on its total income, as computed under the normal provisions is less than 10 percent of its book profits. In computing book profits for MAT purposes, certain positive and negative adjustments must be made to the net profits of the Company. As per section 115JAA of the Act, a company is eligible to claim credit for any taxes paid under section 115JB or section 115JA of the Act against tax liabilities incurred in subsequent years.

MAT credit eligible for carry forward to subsequent years is the difference between MAT paid and the tax computed as per the normal provisions of the Act for a financial year. Such MAT credit is allowed to be carried forward for set off up to 5 years succeeding the year in which the MAT credit is allowed. However for MAT paid on or after financial year 2005-06, MAT credit is allowed to be carried forward for set off up to 7 years subsequent years.

Special Tax Benefits

There are no special tax benefits available to the Company under the Act.

2. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

General Tax Benefits

2.1 Dividend income

Dividend income, if any, received by the shareholders from its investment in shares of a domestic Company will be tax-exempt under section 10(34) read with section 115O of the Act.

2.2 Capital gains

Capital assets are to be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a Company or any other listed securities or units of UTI or Mutual Fund units or Zero coupon bonds) are considered to be long-term capital assets if they are held for a period in excess of 36 months. Shares held in a Company or any other listed securities or units of UTI and Mutual Fund units or Zero coupon bonds are considered as long term capital assets if these are held for a period exceeding 12 months. 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, for resident shareholders 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.

Under section 112 of the Act, long-term gains are subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). Long-term capital gains arising on sale of equity shares and units of equity oriented mutual fund (as defined) under section 10(23D) which are subject to Securities Transaction Tax are exempt from tax under section 10(38) of the Act. However, incase where Securities Transaction Tax is not levied such tax could be limited to 10 percent (plus applicable surcharge and education cess) without indexation benefit, at the option of the shareholder.

Under section 111A of the Act, short-term capital gains arising on sale of equity shares and units of equity oriented mutual fund (as defined) under section 10(23D) on recognized stock exchange are subject to tax at the rate of 10 per cent (plus applicable surcharge and education cess), provided the transfer is chargeable to Securities Transaction Tax levied.

2.3 Exemption of capital gains from income tax

As per the provisions of section 54EC of the Act and subject to conditions specified therein, long-term capital gains are not chargeable to tax to the extent they are invested in certain "long term specified assets" within six months from the date of transfer. Further the exemption on investment in 'long term specified asset' is restricted to Rs 50 Lakhs for a financial year. If the Company transfers or converts the "long term specified assets" into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of gain exempted earlier would become chargeable to tax in such year. The "long term specified assets" specified for this section are bonds, redeemable after three years, issued by the National Highway Authority of India (NHAI), and the Rural Electrification Corporation Ltd. (REC).

Further, as per the provisions of section 54F of the Act and subject to conditions specified therein, any taxable long term capital gains (other than on residential house but including those on shares) arising to an individual or Hindu Undivided Family are exempt from capital gains tax if the net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three year from the date of transfer, provided that the individual should not own more than one residential house, other than the new asset, on the date of the transfer of original asset.

If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house, then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

2.4 *Rebate in respect of securities transaction tax*

Section 88E provides that where the total income of a person includes income chargeable under the head 'Profits and gains of business or profession' arising from purchase or sale of an equity share in a company entered into in a recognized stock exchange, i.e., from taxable securities transactions, he shall get rebate equal to the securities transactions tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

Special Tax Benefits

There are no special tax benefits available to the resident shareholders under the Act.

3. BENEFITS AVAILABLE TO NON-RESIDENT SHAREHOLDERS

General Tax Benefits

3.1 *Dividend income*

Dividend income, if any, received by the shareholders from its investment in shares of a domestic Company will be tax-exempt under section 10(34) read with section 115O of the Act.

3.2 *Capital gains*

Capital assets are to be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a Company or any other listed securities or units of UTI or Mutual Fund units or Zero coupon bonds) are considered to be long-term capital assets if they are held for a period in excess of 36 months. Shares held in a Company or any other listed securities or units of UTI and Mutual Fund units or Zero coupon bonds are considered as long term capital assets if these are held for a period exceeding 12 months. 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.

Under section 112 of the Act, long-term gains are subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). Long-term capital gains arising on sale of equity shares and units of equity oriented mutual fund (as defined) under section 10(23D) which are subject to Securities Transaction Tax are exempt from tax under section 10(38) of the Act. However, incase where Securities Transaction Tax is not levied such tax could be limited to 10 percent (plus applicable surcharge and education cess) without indexation benefit, at the option of the shareholder.

Under section 111A of the Act, short-term capital gains arising on sale of equity shares and units of equity oriented mutual fund (as defined) under section 10(23D) on recognized stock exchange are subject to tax at the rate of 10 per cent (plus applicable surcharge and education cess), provided the transfer is chargeable to Securities Transaction Tax levied.

3.3 *Exemption of capital gains from income tax*

As per the provisions of section 54EC of the Act and subject to conditions specified therein, long-term capital gains are not chargeable to tax to the extent they are invested in certain "long term specified assets" within six months from the date of transfer. However, the Finance Bill 2007 has proposed ceiling of Rs 50 Lakhs for investment in 'long term specified asset' made during any financial year. If the Company transfers or converts the "long term specified assets" into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of gain exempted earlier would become chargeable to tax in such year. The "long term specified assets" specified for this section are bonds, redeemable after three years, issued by the National Highway Authority of India (NHAI), and the Rural Electrification Corporation Ltd. (REC).

3.4 *Tax Treaty Benefits*

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the beneficial provisions of an applicable tax treaty.

Special Tax Benefits

There are no special tax benefits available to the non-resident shareholders under the Act.

4. BENEFITS AVAILABLE TO NON-RESIDENT INDIAN SHAREHOLDERS

General Tax Benefits

4.1 Dividend income

Dividend income, if any, received by the shareholders from its investment in shares of a domestic Company will be tax-exempt under section 10(34) read with section 115O of the Act.

4.2 Capital gains

Under section 115I of the Act, a Non-resident Indian (NRI) as defined therein has the option to be governed by the normal provisions of the Act as outlined in paragraph 1.2 of "Benefits available to the Company" and paragraph 2.3 of "Benefits available to the resident shareholders" or the provisions of Chapter XII-A of the Act through appropriate declaration in the return of income. The said Chapter *inter alia* entitles NRI to the benefits stated hereunder in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange.

As per the provisions of section 115D read with section 115E of the Act and subject to the conditions specified therein, taxable long term capital gains arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess).

As per 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 would not be chargeable to tax. To avail this benefit the entire net consideration received on such transfer needs to be invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or 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. The specified asset or savings certificates in which the investment has been made are restricted from being transferred within a period of three years from the date of investment. In the event of such a transfer 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 only source of income is income from investments or long term capital gains earned on transfer of such investments or both; and
- the tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

As per section 115H of the Act, when a NRI becomes a resident in India, the provisions of Chapter XII-A can continue to apply in relation to investment made when he was a NRI. Towards this, the NRI needs to furnish a declaration in writing to the Assessing Officer along with his return of income.

4.3 *Tax Treaty Benefits*

As per section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident. Thus, a non-resident (including NRIs) can opt to be governed by the beneficial provisions of an applicable tax treaty.

Special Tax Benefits

There are no special tax benefits available to the non-resident Indian shareholders under the Act.

5. SPECIAL BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

General Tax Benefits

5.1 *Dividend income*

Dividend income, if any, received by the shareholders from its investment in shares of a domestic Company will be tax-exempt under section 10(34) read with section 115O of the Act.

5.2 *Capital gains*

As per the provisions of Section 115AD of the Act, FIIs are taxed on the capital gains income at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains	30
Short term capital gains (section 111A of the Act)	10

The above tax rates would need to be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not available to a FII. Long-term capital gains arising on sale of equity shares and units of equity oriented mutual fund (as defined) under section 10(23D) on the recognized stock exchange are exempt from tax under section 10(38) of the Act on being subject to Securities Transaction Tax. Short-term capital gains arising on sale of equity shares and units of equity oriented mutual fund (as defined under section 10(23D)) on the recognized stock exchange to Corporate FIIs are subject to tax at the rate of 10 percent (plus applicable surcharge and education cess) on being subject to Securities Transaction Tax levied.

5.3 Tax Treaty Benefits

As per section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident. Thus, a non-resident (including NRIs) can opt to be governed by the beneficial provisions of an applicable tax treaty.

Special Tax Benefits

There are no special tax benefits available to foreign institutional investors.

6. BENEFITS AVAILABLE TO MUTUAL FUNDS

General Tax Benefits

6.1 Dividend income

Dividend income, if any, received by the shareholders from its investment in shares of a domestic Company will be tax-exempt under section 10(34) read with section 115O of the Act. 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 thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India, would be exempt from income tax, subject to the prescribed conditions.

Special Tax Benefits

There are no special tax benefits available to the Company.

7. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES / FUNDS

General Tax Benefits

7.1 Dividend income

Dividend income, if any, received by the Company from its investment in shares of another Domestic Company will be tax-exempt under section 10(34) read with section 115O of the Act.

Further, as per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India would be exempt from income tax, subject to the conditions specified.

Special Tax Benefits

There are no special tax benefits available to the venture capital company/Funds.

8. BENEFITS TO SHAREHOLDERS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957

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

9. BENEFITS TO SHAREHOLDERS AVAILABLE UNDER THE GIFT-TAX ACT, 1958

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

Annexure XIV

Statement of Tax Shelter
(All amounts in Rs. Million except for share data or otherwise stated)

Particulars	31.03.2007	31.3.2006	31.3.2005	31.3.2004	31.3.2003	31.3.2002
Profit before Current and Deferred Taxes as restated	794.86	355.22	693.58	78.00	14.81	10.99
Tax rate	33.7	33.7	36.6	35.9	36.8	35.7
Tax at Notional Rate	267.55	119.57	253.78	27.98	5.44	3.92
Adjustments:						
Permanent Differences						
Loss/(Profit) on sale of investment	-	-	550.18	-	-	19.47
Exempt JV profit/(loss) net	76.16	103.59	(10.60)	5.62	(7.25)	37.43
Dividend exempt under the Income Tax Act, 1961 (Act)	-	-	0.48	5.96	-	1.91
Donation disallowed under the Act	(0.90)	(0.03)	(2.54)	(0.13)	(0.38)	-
Other Disallowances	-	-	-	-	-	(0.05)
Adjustments carried during assessments	-	-	-	-	-	(117.50)
Lease Rentals paid	0.16	-	-	-	-	-
Temporary Differences						
Difference between book depreciation and tax depreciation	93.63	(0.46)	(3.47)	(1.37)	16.63	12.83
Difference due to expenses allowable/ disallowable u/s 43B of the Act	-	-	(0.55)	(1.43)	2.32	(5.44)
Profit / Loss on sale of assets	(0.29)	(5.52)	8.60	7.73	0.07	3.94
Provision for Gratuity and Leave encashment	(4.83)	(0.63)	(0.52)	(0.27)	(0.11)	(1.02)
Total Adjustments	**163.93**	**96.95**	**541.58**	**16.11**	**11.28**	**(48.43)**
Tax Saving thereon	55.18	32.63	198.16	5.78	4.15	(17.29)
Tax Liability after considering the adjustments	212.37	86.94	55.62	22.20	1.29	21.21
Capital Gains tax on profit on sale of investment	-	-	53.28	-	-	1.99
Add: Interest under the Income-tax Act	-	8.72	2.92	-	-	6.46
Taxes under section 115JB of Income-tax Act on the book profit	-	-	-	-	1.75	-
Tax payable for the year (Refer Note - 1)	212.37	95.66	111.82	22.20	1.75	29.66

Note 1: List of Appeals preferred by the company which may have impact on tax payable

AY 2002-03: 90% of Other Income put to tax. Amount of tax demand involved is Rs 10.18 Million (including interest on taxes). Appeal pending before the Income tax Appellate Tribunal.

AY 2003-04: Income estimated on notional basis as a percentage on gross receipts (10.5% for direct contracts and rate of commission agreed for work done on sub-contract without deduction for head office expenses). Amount of tax demand involved is Rs. 21.10 Million. Appeal pending before the Income Tax Appellate Tribunal.

AY 2004-05: Income estimated on notional basis as a percentage on gross receipts (10.5% for direct contracts and rate of commission agreed for work done on sub-contract without deduction for head office expenses. Amount of tax demand involved is Rs. 22.56 Million (including interest on taxes). Appeal pending before the Tribunal.

Notes on issues pertaining to assessments:

AY 2002-03: 10% of gross receipts is disallowed by the Assessing Officer and the company has not preferred appeal against the adjustment. Hence the same is being considered in the tax shelter statement as disallowances.

AY 2003-04: The Assessing Officer has reassessed the income at 12.5% of Gross Receipts in the case of direct contracts and 10.5% of Gross Receipts for Sub-contracts. Commissioner of Income Tax (Appeals) has re-assessed the income at 10.5% on direct contracts and rate of commission agreed for work done on subcontracts.

AY 2004-05: Tax liability as per 143(3) order - Rs.55.93 Million. Tax liability as per Return of Income - Rs.9.67 Million. Tax liability under dispute - Rs.22.56 Million.

Annexure XV

Capital commitments as per restated financial information
(All amounts in Rs. Million except for share data or otherwise stated)

Particulars	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	348.12	-	-	-	-	24.08
Total	**348.12**	**-**	**-**	**-**	**-**	**24.08**

Annexure XVI

Contingent liabilities as per restated financial information
(All amounts in Rs. Million except for share data or otherwise stated)

Particulars	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002
Direct and indirect taxes	95.75	64.24	25.15	9.04	9.04	9.04
Claims against the Company not acknowledged as debts	14.20	-	-	-	-	-
Corporate guarantee given on behalf of associates	100.00	100.00	100.00	-	-	-
Outstanding Letter of Credit	281.56	-	-	-	-	-

Annexure XVII

Details of Related party transactions

(All the amounts in Rs. Million except for share data or as otherwise stated)

		Transaction during the year ended			
		March 31, 2007	**March 31, 2006**	**March 31, 2005**	**March 31, 2004**
A.	**Subsidiaries**				
1	Maytas Infrasys Private Limited	0.00	0.00	0.00	0.01
2	Maytas Infratech Private Limited	0.00	20.01	0.15	0.77
3	Maytas Projects Private Limited	0.00	20.03	0.00	20.02
4	Maytas Properties Private Limited (formerly known as Maytas e Global Services Private Limited)	-	-	0.00	0.01
5	Infra Trade FZE				
	Equity Contribution	1.22	-	-	-
	Share application money	0.00	-	-	-
B.	**Joint ventures**				
1	IJM - SCL (JV)				
	Reimbursement of expenses	-	0.10	0.11	(0.07)
	Repayment of/ (Receipt) against loans/ expenses	-	(5.00)	(15.00)	1.50
	Share of profit/(loss) from joint venture	(7.93)	(9.93)	(8.00)	(8.21)
2	Himachal (JV)				
	Finance (including loan and equity contribution in cash or in kind)	-	12.47	30.03	(0.02)
	Share of profit/(loss) from joint venture	12.79	(5.93)	(27.08)	2.02
3	NEC - NCC - Maytas (JV)				
	Finance (including loan and equity contribution in cash or in kind)	4.82	-	-	-
	Reimbursement of expenses	-	10.73	-	-
	Repayment of/ (Receipt) against loans/ expenses	(9.91)	(9.98)	-	-
	Share of profit/(loss) from joint venture	0.28	7.15	-	-
4	Maytas - Shankarnarayana (JV)				
	Finance (including loan and equity contribution in cash or in kind)	145.22	22.05	6.55	-
	Reimbursement of expenses	2.42	(1.19)	1.94	-
	Repayment of/ (Receipt) against loans/ expenses	(19.94)	-	(20.00)	-
	Hire charges	14.77	0.03	-	-
	Share of profit/(loss) from joint venture	2.48	(4.24)	-	-

		Transaction during the year ended			
		March 31, 2007	**March 31, 2006**	**March 31, 2005**	**March 31, 2004**
5	Maytas - NCC (JV)				
	Finance (including loan and equity contribution in cash or in kind)	268.97	73.65	11.56	-
	Reimbursement of expenses	(10.93)	0.95	1.53	-
	Repayment of/ (Receipt) against loans/ expenses	(217.75)	(251.17)	(10.00)	-
	Hire charges	98.40	17.39	-	-
	Contract Revenues	326.38	86.16	-	-
	Share of profit/(loss) from joint venture	71.75	106.36	-	-
	Receipt against contract revenues	(239.13)	-	-	-
6	NCC - Maytas (JV)				
	Finance (including loan and equity contribution in cash or in kind)	-	(1.47)	2.60	1.45
	Reimbursement of expenses	20.62	0.05	0.00	0.48
	Repayment of/ (Receipt) against loans/ expenses	-	(0.74)	20.26	49.93
	Contract Revenues	24.30	21.00	(21.46)	28.14
	Share of profit/(loss) from joint venture	0.68	4.61	5.08	5.32
	(Receipt) against contract revenues/ sale of investments	(54.40)	(35.20)	(10.65)	(3.08)
7	NCC - Maytas (JV) (Singapore Class Township)				
	Finance (including loan and equity contribution in cash or in kind)	1.41	1.34	6.76	(10.73)
	Reimbursement of expenses	0.78	0.15	0.30	0.55
	Purchase of assets	(11.23)	-	-	-
	Share of profit/(loss) from joint venture	(1.55)	(0.45)	21.33	6.27
	(Receipt) against contract revenues/ sale of investments	(10.37)	-	-	-
8	Maytas SNC Tailpond				
	Receipt against contract revenues/ sale of investments	(0.30)	-	-	-
	Share of Profit/ (Loss) from JV	(2.34)	-	-	-
C	**Associates**				
1	Bangalore Elevated Tollway Limited				
	Share application money	5.60	2.00	-	-
	Finance (including loan and equity contribution in cash or in kind)	290.23	0.46	-	-
2	Brindavan Infrastructure Company Limited				
	Share application money	-	-	(50.00)	-

		Transaction during the year ended			
		March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004
	Finance (including loan and equity contribution in cash or in kind)	0.22	-	148.69	8.51
	Reimbursement of expenses	0.00	0.00	0.35	0.32
	Repayment of/ (Receipt) against loans/ expenses	(0.23)	(0.36)	(2.50)	
3	Himachal Sorang Power Private Limited				
	Share application money	60.23	-	-	-
	Finance (including loan and equity contribution in cash or in kind)	0.03	0.15	1.30	-
4	Western UP Tollway Limited				
	Share application money	4.72	0.90	-	-
	Finance (including loan and equity contribution in cash or in kind)	223.35	2.25	-	-
5	SSJV Projects Private Limited				
	Share application money	-	-	(60.00)	-
	Finance (including loan and equity contribution in cash or in kind)	20.00	-	147.09	0.67
	Reimbursement of expenses	-	0.15	0.00	0.36
	Repayment of/ (Receipt) against loans/ expenses	-	(2.25)	(9.10)	(7.76)
	Share of profit/(loss) from joint venture	-	-	-	(30.66)
	(Receipt) against contract revenues/ sale of investments	-	(122.10)	-	-
6	KVK Power & Infrastructure Company Private Limited				
	Share application money	45.50	-	-	-
	Finance (including loan and equity contribution in cash or in kind)	-	40.00	-	-
7	Dhabi Maytas Contracting LLC				
	Share application money	6.17	-	-	-
	Equity contribution	1.80	-	-	-
8	KVK Nilachal Power Private Limited				
	Share application money	43.10	-	-	-
	Equity contribution	2.50	-	-	-
	Reimbursement of expenses	0.07	-	-	-
9	S V Power Private Limited				
	Equity contribution	2.50	-	-	-

		Transaction during the year ended			
		March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004
D	**Enterprises over which shareholders, key management personnel and their relatives exercise significant influence**				
1	SNR Investments Private Limited				
	Finance (including loan and equity contribution in cash or in kind)	-	-	(2.40)	-
	Repayment of/ (Receipt) against loans/ expenses	2.60	-	-	92.20
	Dividend	1.05	1.05	-	-
2	Veeyes Investment Private Limited				
	Finance (including loan and equity contribution in cash or in kind)	-	-	-	23.75
	Reimbursement of expenses	-	-	-	0.00
	Dividend	1.05	1.05	-	-
3	Elem Investments Private Limited				
	(Receipt) against contract revenues/ sale of investments	(50.00)	(40.40)	40.02	(12.34)
	Dividend	1.05	1.05	-	-
4	Maytas Holdings Private Limited				
	Finance (including loan and equity contribution in cash or in kind)	12.50	-	-	-
	Reimbursement of expenses	2.64	-	-	-
	Repayment of/ (Receipt) against loans/ expenses	(10.00)	-	-	-
5	Highgrace Investments Private Limited				
	Repayment of/ (Receipt) against loans/ expenses	(50.00)	-	-	-
	(Receipt) against contract revenues/ sale of investments	-	(20.80)	84.22	(30.46)
	Dividend	1.05	1.05	-	
6	Fincity Investments Private Limited				
	Repayment of/ (Receipt) against loans/ expenses	21.10	-	-	-
	(Receipt) against contract revenues/ sale of investments	(45.00)	(40.40)	49.53	(26.94)
	Finance	2.00	-	-	-
	Dividend	1.05	1.05	-	-
7	Rohini Greenlands Private Limited				
	Finance	4.81	-	-	-
	Repayment of /(Receipt) against loans/ expenses	-	(31.80)	-	-

		Transaction during the year ended			
		March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004
8	S R S R Estate Private Limited				
	Repayment of /(Receipt) against loans/ expenses	-	(51.43)	-	-
	Finance	-	-	13.93	15.18
E	**Key Management Personnel**				
1	B Teja Raju				
	Finance (including loan and equity contribution in cash or in kind)	-	-	0.13	-
	Reimbursement of expenses	(0.19)	-	0.00	0.73
	Repayment of/ (Receipt) against loans/ expenses	1.68	-	0.00	(2.74)
	Managerial remuneration	1.81	1.66	0.81	0.50
	Dividend	0.30	0.30	-	-
2	B Suryanaranayana Raju				
	Repayment of/ (Receipt) against loans/ expenses	-	-	-	0.00
	Managerial remuneration	1.77	2.08	2.08	2.08
	Dividend	0.58	0.58	-	-
3	B Rama Raju				
	Reimbursement of expenses	-	1.78	-	3.54
	Repayment of/ (Receipt) against loans/ expenses	3.85	(1.78)	-	(3.55)
	Dividend	1.08	1.08	-	-
4	P K Madhav				
	Reimbursement of expenses	(0.27)	-	-	-
	Managerial remuneration	(1.17)	-	-	-
F	**Relatives of key management personnel**				
1	B Appala Narasamma				
	Repayment of/ (Receipt) against loans/ expenses	4.56	-	-	-
	Dividend	0.08	0.08		-
2	B Jhansi				
	Repayment of/ (Receipt) against loans/ expenses	1.50	-	-	-
	Dividend	0.28	0.28	-	-
3	B Nandini				
	Dividend	0.51	0.51	-	-
4	B Radha				
	Dividend	0.52	0.52	-	-

		Transaction during the year ended			
		March 31, 2007	**March 31, 2006**	**March 31, 2005**	**March 31, 2004**
5	B Ramalinga Raju				
	Repayment of/ (Receipt) against loans/ expenses	21.00	-	-	-
	Dividend	1.10	-	-	-
6	B Rama Raju				
	Dividend	0.30	-	-	-

		Balance outstanding as at			
		March 31, 2007 Debit/ (Credit)	**March 31, 2006 Debit/ (Credit)**	**March 31, 2005 Debit/ (Credit)**	**March 31, 2004 Debit/ (Credit)**
A.	**Subsidiaries**				
1	Maytas Infrasys Private Limited*	0.03	0.03	0.02	0.02
2	Maytas Infratech Private Limited*	34.78	34.78	14.77	14.62
3	Maytas Projects Private Limited*	36.77	36.77	16.75	16.74
4	Maytas Properties Private Limited** (formerly known as Maytas e Global Services Private Limited)	-	-	0.02	0.02
5	Infra Trade FZE	1.22	-	-	-
B.	**Joint ventures**				
1	IJM - SCL (JV)	121.15	129.07	143.90	166.79
2	Himachal (JV)	(18.10)	(30.89)	(37.44)	(40.39)
3	NEC - NCC - Maytas (JV)	3.09	7.90	-	-
4	Maytas - Shankarnarayana (JV)	147.62	5.15	(11.51)	-
5	Maytas - NCC (JV)	299.82	36.44	3.09	-
6	NCC - Maytas (JV)	2.51	11.30	23.07	27.24
7	NCC - Maytas (JV) (Singapore Class Township)	10.18	31.14	30.10	1.70
8	Maytas SNC (JV)	(2.64)	-	-	-
C	**Associates**				
1	Bangalore Elevated Tollway Limited	298.29	2.46	-	
2	Brindavan Infrastructure Company Limited	150.00	150.00	105.36	8.83
3	Himachal Sorang Power Private Limited	61.71	1.45	1.30	-
4	Western UP Tollway Limited	231.22	3.15	-	-
5	SSJV Projects Private Limited	44.95	24.95	149.15	71.17
6	KVK Power and Infrastructure Private Limited	85.50	40.00	-	-
7	Dhabi Maytas Contracting LLC	7.97	-	-	-
8	KVK Nilachal Power Private Limited	45.67	-	-	-
9	S V Power Private Limited	2.50	-	-	-

		Balance outstanding as at			
		March 31, 2007 Debit/ (Credit)	March 31, 2006 Debit/ (Credit)	March 31, 2005 Debit/ (Credit)	March 31, 2004 Debit/ (Credit)
D	**Enterprises over which shareholders, key management personnel and their relatives exercise significant influence**				
1	SNR Investments Private Limited	-	(2.60)	(2.60)	(0.20)
2	Veeyes Investment Private Limited	(0.10)	(0.10)	(0.10)	(0.10)
3	Elem Investments Private Limited	98.98	148.98	189.38	149.36
4	Maytas Holdings Private Limited	14.14	-	-	-
5	Highgrace Investments Private Limited	143.42	193.42	214.22	130.00
6	Fincity Investments Private Limited	90.46	112.36	152.76	103.23
7	SRSR Estates Private Limited	32.80	32.80	84.23	70.3
8	Rohini Greenlands Private Limited	32.57	27.76	-	-
E	**Key Management Personnel**				
1	B Teja Raju	(0.19)	(1.68)	(1.68)	(1.80)
2	B Suryanaranayana Raju	-	-	-	-
3	B Rama Raju	-	(3.85)	(3.85)	(3.85)
4	P K Madhav	(0.27)	-	-	-
F	**Relatives of key management personnel**				
1	B Appala Narasamma	-	(4.56)	(4.56)	(4.56)
2	B Jhansi	(0.63)	(10.81)	(10.81)	(10.81)
3	B Nandini	-	-	-	-
4	B Radha	-	-	-	-
5	B Ramalinga Raju	-	(21.00)	(21.00)	(21.00)
6	B Rama Raju	-	-	-	-

* ceased to be subsidiaries with effect from December 30, 2006

** ceased to be subsidiary with effect from January 1, 2006

*** ceased to be a joint venture with effect from October 10, 2005

Note: All amounts below Rs. 0.01 Millions has been disclosed as Rs.0.00 Million

CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED, FOR THE YEAR ENDED MARCH 31, 2007 INCLUDING REPORT, BY THE JOINT AUDITORS AS REQUIRED BY PART II OF SCHEDULE II OF THE COMPANIES ACT, 1956

Krishna & Prasad
Chartered Accountants
#26, Ground Floor,
R.B.V.R. Reddy Hostel
Complex, Tilak Road, Abids,
Hyderabad – 500 001

S.R. Batliboi & Associates
Chartered Accountants
205, 2nd Floor,
Ashoka Bhoopal Chambers
Sardar Patel Road
Secunderabad – 500 003

SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AND PROFIT, AS RESTATED, AS AT AND FOR THE YEAR ENDED MARCH 31, 2007

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

To

The Board of Directors
Maytas Infra Limited
6-3-1186/5/A, 3rd floor,
Amogh Plaza, Begumpet,
Hyderabad – 500 016

Dear Sirs,

We, S.R. Batliboi & Associates (SRB) and M/s Krishna & Prasad (K&P) (collectively referred to as auditors or joint auditors) have examined the Statement of Restated Consolidated Financial Information of Maytas Infra Limited ('Maytas' or 'the Company') (formerly Maytas Infra Private Limited) as at and for the years ended March 31, 2007 annexed to this report, prepared by the Company and approved by the Board of Directors, 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') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 as amended upto October 18, 2006, in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992;

c. the terms of reference received from the Company, requesting us to carry out the engagement, in connection with the offer document of the Company for its proposed Initial Public Offer (IPO); and

d. The revised Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (ICAI).

The Company proposes to make an IPO of 8,850,000 equity shares, having a face value of Rs. 10 each, at an issue price to be arrived at by the book building process (Issue).

A. Financial information as per audited financial statements

1. The annexed Statement of Restated Consolidated Financial Information comprising the restated summary consolidated statement of assets and liabilities of the Company as at March 31, 2007 the restated summary consolidated statement of profits and losses and the restated consolidated statement of cash flows for the year ended on that date ('summary statements') (See annexure I, II and III), have been prepared by the Company and approved by the Board of Directors.

2. Based on the examination of these summary statements, we confirm that:

- The summary statements as at and for the year ended March 31, 2007 have been prepared with uniform accounting policies to the extent practicable;
- There are no extraordinary items which need to be disclosed separately in the summary statements; and
- The Joint Auditors vide their audit report dated August 21, 2007 on consolidated financial statements for the year ended March 31, 2007 have drawn attention to the fact mentioned by one of the Joint Venture "Himachal JV" regarding certain claims recognized amounting to Rs.398 Million (Maytas's share – Rs.179.10 Million), and also the basis for non-accrual of interest expense amounting to Rs.157.11 Million (Maytas's share – Rs.70.70 Million). The Company in the absence of detailed information regarding the aforesaid items has not made any adjustments to summary statements.
- There are no qualifications in the auditors' reports, which require any adjustments to the summary statements.

3. The summary of significant accounting policies adopted by the Company pertaining to the audited consolidated financial statements for the year ended March 31, 2007 are enclosed as Annexure IV to this report.

4. In our opinion, the financial information as disclosed in the annexures to this report, read with the significant accounting policies disclosed in Annexure IV and notes given in Annexure V, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

5. The sufficiency of the procedures performed, as set forth in the above paragraphs of this report, is the sole responsibility of the Company. Consequently, we make no representation regarding the procedures described above either for the purposes for which this report has been requested or for any other purpose.

6. This report should not be in any way construed as a reissuance of joint audit report issued by the joint auditors nor should this report be construed as a new opinion on any of the financial statements referred to herein.

7. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed public offer of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

M/s Krishna & Prasad
Chartered Accountants

Per Vijay Prasad
Partner
Membership No: 18791

Place : Hyderabad
Date : September 3, 2007

S.R. Batliboi & Associates
Chartered Accountants

Per Ali Nyaz
Partner
Membership No: 200427

Place : Hyderabad
Date : September 3, 2007

Annexure I

Consolidated summary statement of assets and liabilities, as restated
(All amounts in Rs. Million except for share data or as otherwise stated)

	As at March 31, 2007
Fixed assets	
Gross block	2,799.75
Accumulated depreciation	418.69
Net block	2,381.06
CWIP	1,702.84
Investments	780.71
Deferred tax asset	0.96
Current Assets, Loans and Advances	
Inventories	1,175.18
Cash and Bank balances	1,172.28
Sundry Debtors	2,877.97
Loans and advances	2,372.42
	12,463.42
Liabilities and provisions	
Liabilities	3,036.70
Provisions	79.64
Secured Loans	4,237.61
Unsecured Loans	2,403.49
Deferred tax liability (net)	56.38
	9,813.82
Net worth	
Represented by	
Share Capital	
Equity Share capital	500.00
Share Application money	43.99
Reserves and Surplus	
General Reserve	58.70
Securities premium account	19.26
Foreign currency translation reserve	(0.10)
Profit and loss account	2,027.75
Net worth	**2,649.60**

The above statement should be read with the significant accounting policies and notes to accounts, notes on adjustments to restated financial statements as appearing in Annexure IV and Annexure V.

As per our report of even date

For Krishna & Prasad
Chartered Accountants

Per
B.Vijaya Prasad
Partner
Membership No.18791
Date: September 3, 2007

For S.R. Batliboi & Associates
Chartered Accountants

Per
Ali Nyaz
Partner
Membership No.200427
Date: September 3, 2007

For and on behalf of the Board
Maytas Infra Limited

B. Teja Raju
Vice Chairman

PK Madhav
Wholetime Director

V.V. R. Raju
Chief Financial Officer

J Veerraju
Company Secretary

Place: Hyderabad

Annexure II

Consolidated summary statement of Profit and Loss, as restated
(All amounts in Rs. Million except for share data or as otherwise stated)

	For the year ended March 31, 2007
Income	
Contract revenues	7,540.57
Annuity Income	186.57
Other income	41.05
Accretion/(Decretion) to Work in progress	497.39
	8,265.59
Expenditure	
Material consumed	2,071.38
Personnel expenses	247.28
Contract, administrative and selling expenses	4,629.54
Financial expenses	246.89
Depreciation	232.69
Preliminary expenses written off	0.39
	7,428.17
Profit before tax	**837.42**
Provision for taxation	
- Current tax	274.02
- Fringe benefit tax	4.91
- Deferred tax	29.45
	308.38
Profit after tax	**529.04**
Add: Balance brought forward from previous years	2,007.21
Appropriations:	
Transfer to general reserve	450.00
Proposed dividend	50.00
Dividend tax	8.50
Surplus carried to Balance Sheet	**2,027.75**

The above statement should be read with the significant accounting policies and notes to accounts, notes on adjustments to restated financial statements as appearing in Annexure IV and Annexure V.

As per our report of even date

For Krishna & Prasad
Chartered Accountants

Per
B.Vijaya Prasad
Partner
Membership No.18791
Date: September 3, 2007

For S.R. Batliboi & Associates
Chartered Accountants

Per
Ali Nyaz
Partner
Membership No.200427
Date: September 3, 2007

For and on behalf of the Board
Maytas Infra Limited

B. Teja Raju
Vice Chairman

PK Madhav
Wholetime Director

V.V. R. Raju
Chief Financial Officer

J Veerraju
Company Secretary

Place: Hyderabad

Annexure III

Consolidated summary statement of cash flows, as restated
(All amounts in Rs. Million except for share data or as otherwise stated)

		For the year ended March 31, 2007
A. Cash flow from operating activities		
Net Profit before tax		837.42
Adjustments for:		
Depreciation		232.69
Foreign exchange loss (net)		0.03
Provision for Retirement Benefits		3.18
Interest expense		220.34
Interest income		(48.71)
Dividend income		(0.03)
(Profit)/Loss on sale of fixed assets		0.30
Operating profit before working capital changes		**1,245.22**
Movements in working capital:		
Decrease/(Increase) in Inventories		(875.18)
Decrease/(Increase) in Sundry debtors		(1,538.34)
Decrease/(Increase) in Loans and advances		(530.39)
Increase/(Decrease) in Sundry creditors		1,682.58
Cash used in operations		**(16.11)**
Direct taxes paid (net of refunds)		(115.90)
Net cash used in operating activities	**(A)**	**(132.01)**
B. Cash flows from investing activities		
Purchase of fixed assets		(2,614.92)
Sale of fixed assets		12.99
Purchase of Investments		(138.57)
Share application money		(165.39)
Interest received		18.38
Dividend received		0.03
Net cash used in investing activities	**(B)**	**(2,887.48)**

	For the year ended March 31, 2007
C. Cash flows from financing activities	
Proceeds from long term borrowings	4,039.53
Repayment of long term borrowings	(623.77)
Proceeds from short term borrowings	683.49
Proceeds from share application money	36.40
Interest paid	(189.93)
Dividend paid	(100.00)
Tax on Dividend paid	(1.40)
Net cash from financing activities (C)	**3,850.32**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**830.83**
Cash and Cash Equivalents - As at April 1, 2006	341.45
Cash and Cash Equivalents - As at March 31, 2007	**1,172.28**

* Includes restricted cash balances

The above statement should be read with the significant accounting policies and notes to accounts, notes on adjustments to restated financial statements as appearing in Annexure IV and Annexure V.

As per our report of even date

For Krishna & Prasad
Chartered Accountants

Per
B.Vijaya Prasad
Partner
Membership No.18791
Date: September 3, 2007

For S.R. Batliboi & Associates
Chartered Accountants

Per
Ali Nyaz
Partner
Membership No.200427
Date: September 3, 2007

For and on behalf of the Board
Maytas Infra Limited

B. Teja Raju
Vice Chairman

PK Madhav
Wholetime Director

V.V. R. Raju
Chief Financial Officer

J Veerraju
Company Secretary

Place: Hyderabad

Annexure IV : Summary of significant accounting policies

(All amounts in Rs. Million except for share data or otherwise stated)

1. Statement of significant accounting policies

Basis of consolidation

The Restated Consolidated Financial Statements of Maytas Infra Limited ("Maytas" or "the Parent Company") together with its subsidiaries, associates and joint venture entities (collectively termed as "the Company" or "the Consolidated Entities") are prepared under historical cost convention on accrual basis to comply in all material respects with the mandatory Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India ("ICAI").

Investments in consolidated investees, except where such investments are acquired with an intent as to its subsequent disposal in the immediate future, are accounted in accordance with accounting principles as defined under AS 21 "Consolidated Financial Statements" and AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.

The joint ventures are in the form of "Jointly Controlled Entities" and are consolidated using the proportionate consolidation method. All material inter-company balances and inter-company transactions and resulting unrealized profits or losses are eliminated on consolidation.

The Restated Consolidated Financial Statements for the year ended March 31, 2007 include the financial statements of the following subsidiaries and joint venture entities:

	Name of the Consolidated Entities	Country of Incorporation	% of Interest
	Subsidiaries		
1	Infra Trade FZE	UAE	100%
2.	Maytas (Singapore) Pte. Limited*	Singapore	100%
3.	Maytas Infrasys Private Limited *@	India	100%
4.	Maytas Infratech Private Limited *@	India	100%
5.	Maytas Projects Private Limited*@	India	100%
	Joint Ventures		
1.	Maytas NCC JV – Irrigation	India	50%
2.	NCC Maytas JV - U1	India	50%
3.	NEC-NCC-Maytas JV	India	25%
4.	Maytas-Shankarnarayana JV	India	50%
5.	Himachal Joint Venture	India	45%
6.	IJM –SCL Joint Venture	India	50%
7.	NCC-Maytas JV (Pocharam)	India	50%
8.	Maytas SNC JV	India	40%
9.	Dhabi Maytas	UAE	49%
10.	Brindavan Infrastructure Company Limited	India	33.3%
11.	KVK Power & Infrastructure Company Private Limited	India	50%
12.	Bangalore Elevated Tollway Limited	India	33%
13.	Western UP Tollway Limited	India	30%
14.	Himachal Sorang Power Private Limited	India	33%
15.	KVK Nilachal Power Private Limited	India	50%
16.	S V Power Private Limited	India	50%

* Not considered for consolidation as the control is temporary.

@ Ceased to be subsidiaries with effect from December 30, 2006

a. **Revenue recognition**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

i. Revenue from long term construction contracts is recognized on the percentage of completion method. Percentage of completion is determined on the basis of surveys performed. However, profit is not recognized unless there is reasonable progress on the contract. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the income statement of the period in which revisions are made. The revenue on account of claims is accounted for based on Management's estimate of the probability that such claims would be admitted either wholly or in part.

ii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii. Dividend is recognised as and when the right to receive payment is established.

iv. Income from currency swaps and other similar instruments are recorded upon settlement or termination of the relevant contracts.

b. **Fixed assets**

i. Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/ subsidies if any. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use.

ii. Depreciation is provided on a straight line basis, based on useful life of the assets as estimated by Management which generally coincides with rates prescribed under Schedule XIV to the Companies Act, 1956 in Maytas.

iii. Assets costing Rs. 0.005 Million or less are fully depreciated in the year of purchase.

Depreciation on the following fixed assets is provided on at rates that are higher than those specified in Schedule XIV to the Companies Act, 1956 and are based on useful lives as estimated by Management of Maytas:

a. Tools and implements are depreciated fully in the year of purchase

b. Plant and machinery – construction equipment at project sites at the rate of 11.31%.

c. Temporary erections in the form of sheds, camps are depreciated over the period of the respective project.

c. **Investments**

i. Investments in readily realisable securities that are intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

ii. Long-term investments are carried at cost. Provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments. Current investments are carried at lower of cost and market value determined on individual investment basis.

d. **Inventories**

i. Materials at site are valued at the lower of cost and estimated net realizable value. Cost is determined on a weighted average basis.

ii. Work-in-progress related to project and construction is valued at cost till such time the outcome of the related project is ascertained reliably and at contractual rates thereafter.

Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to affect the sale.

e. Retirement and other employee benefits

i. The Company's contribution to provident fund is recognised on accrual basis.

ii. Liability for Gratuity and Leave encashment is provided on the basis of an actuarial valuation carried out at the end of each financial year in Maytas.

f. Income Taxes

Tax expense consists of current, deferred and fringe benefit taxes. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Where the Company has carry forward of unabsorbed depreciation or tax losses deferred tax assets are recognized only if it is virtually certain backed by convincing evidence that such deferred tax assets can be realized against future taxable profits.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become virtually certain that future taxable income will be available against which such deferred tax assets can be realised.

g. Foreign currency transactions

Initial Recognition

i. Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction. Exchange rate differences are recognized in the profit and loss account.

Conversion

ii. Foreign currency monetary items are reported at contract rates and/or at year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

Forward exchange contracts not intended for trading or speculation purposes

iii. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense of the year.

Foreign Currency Translation

iv. In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

h. **Leases**

Where the Company is a Lessee

i. Leases, where the substantial risks and benefits incidental to ownership of the leased item are transferred to the Company, are classified as finance leases. Assets under finance leases, where there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the tenure of the lease or estimated useful life of the asset, whichever is shorter.

ii. Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

iii. Assets acquired under finance lease are depreciated on a straight line basis over the lease term.

Where the Company is a Lessor

iv. Assets under operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

i. **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average of number of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

j. **Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

k. **Provisions**

A provision is recognised when the Company has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2. **Uniform accounting policies**

As per the requirements of AS-21, AS-23, AS-27, in the preparation of consolidated financial statements, the accounting policies of the consolidated entities are required to be aligned with those of the parent to the extent practicable. The following accounting policies followed by various consolidated entities is not aligned with those of the Parent Company –

a. Depreciation in certain consolidated joint venture entities is provided on written down value method as compared to straight line method followed in the books of Parent Company. The Company has not ascertained the impact of such differential accounting policy on the consolidated profits for the year ended and financial position of the Company as at March 31, 2007.

b. In the absence of information regarding the gross block and accumulated depreciation of the following joint ventures, only the net block as at March 31, 2007 have been considered for consolidation. The proportion of net block of the joint ventures as compared to the Company's net block is 23% of the consolidated net block.

   i. Maytas-Shankarnarayana JV

   ii. Himachal Joint Venture

   iii. IJM –SCL Joint Venture

Management is of the opinion that such alignment of accounting policies is not practicable and that the cumulative impact of such alignment if made, would not be significant to the consolidated financial statements.

Annexure – V: Notes annexed to and forming part of the Restated Consolidated Financial Information

(All amounts in Rs. Million except for share data or otherwise stated)

The Parent Company has for the first time presented consolidated financial statement for the year ended March 31, 2007. The Company has restated the consolidated financial statements, the summary of the restatements made to the audited consolidated financial statements for the year and its effect on the consolidated profits of the Parent Company for the year is provided below:

SUMMARY STATEMENT OF ADJUSTMENTS	**March 31, 2007**
Profit after tax as per audited financial statements	487.73
Adjustments:	
Provision for retirement benefits (*refer note 1*)	2.55
(Loss) from Associates accounted as per AS-27 (*refer note 2*)	**(11.23)**
Sub total	**479.05**
Taxes related to earlier years *(refer note 3)*	38.77
Deferred tax (*refer note 4*)	11.21
	529.04

Profit as per statement of restated financial information

A. Notes to summary statement of adjustments

1. Provision for retirement benefits

For the year ended March 31, 2007, the Parent Company has, for the first time, accounted for retirement benefits on the basis of an actuarial valuation of those benefits as required by Accounting Standard -15 (AS -15) issued by the Institute of Chartered Accountants of India (ICAI). Consequently, for the purpose of this statement the charge pertaining to the current year is debited to the restated consolidated summary statement of profit and losses and the charge pertaining to earlier years has been adjusted to the general reserve as at April 1, 2006.

2. Associates

The Company in its consolidated financial statements has accounted for certain investments in joint venture companies using the equity method of accounting, since Management is of the opinion that, although the Company together with its co-venturers exercises joint control over such investees, such investments are, by intent and purpose, more in the nature of investments in associate enterprises as defined in Accounting Standard 23 issued by the Institute of Chartered Accountants of India. For the purpose of this statement the investment in these entities has been accounted in accordance with Accounting Standard 27 (AS – 27) – *Financial Reporting of Interests in Joint Ventures* issued by ICAI. Accordingly, the Company followed the proportionate consolidation method for the purpose of this statement.

3. Taxes related to earlier years

The audited consolidated financial statements for the year ended March 31, 2007 included adjustments towards current taxes related to earlier years of certain joint venture entities, determined on the basis of assessment orders subsequently made, in respect of those years. For the purpose of this statement, the charge to the profit and loss account and the carry forward balance of the provision for taxation has been adjusted to the general reserves as at April 1, 2006.

4. Deferred taxes

For the purpose of this statement, changes relating to timing and measurement differences of earlier years have been adjusted to the general reserve as at April 1, 2006 as the consolidated financial statements were prepared by the Company for the first time.

CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES AND PROFIT FOR THE YEAR ENDED MARCH 31, 2007 INCLUDING REPORT BY THE JOINT AUDITORS

Krishna & Prasad
Chartered Accountants
#26, Ground Floor,
R.B.V.R. Reddy Hostel
Complex, Tilak Road, Abids,
Hyderabad – 500 001

S.R. Batliboi & Associates
Chartered Accountants
205, 2nd Floor,
Ashoka Bhoopal Chambers
Sardar Patel Road
Secunderabad – 500 003

Auditors' Report

The Board of Directors

Maytas Infra Limited (Formerly known as Maytas Infra Private Limited)

1 We have audited the attached consolidated Balance Sheet of Maytas Infra Limited (the Company), its subsidiaries, joint ventures and associates ("Maytas"), as at March 31, 2007, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Maytas's management and have been prepared by Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and dis-closures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of certain subsidiaries and joint ventures whose financial statements reflect total assets of Rs.587.64 Million as at March 31, 2007, the total revenue of Rs.1,931.46 Million and net cash flows amounting to Rs.138.83 Million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

4. Without qualifying our opinion, we draw attention to Note 4 to Schedule 21 of consolidated financial statements. In the absence of detailed information regarding certain claims recognized, and also the basis for non-accrual of interest expense in the financial statements of one of the joint ventures Management has not made any adjustments to its consolidated results in respect of such income and expense.

5. *As more fully explained in note 3 to Schedule 21 of consolidated financial statements, the Company has accounted for certain investments in joint venture companies using the equity method of accounting, since Management is of the opinion that, although the Company together with its co-venturers exercises joint control over such investees, such investments are, by intent and purpose, more in the nature of investments in associate enterprises as defined in Accounting Standard 23 issued by the Institute of Chartered Accountants of India. Had the Company accounted for such investments as investments in jointly controlled entities, the consolidated assets, liabilities, income and expenses included in accompanying financial statements would have included the Company's proportionate share in the assets, liabilities, income and expenses in such investee companies although there would be no impact on the reported amount of the Companies consolidated* profits.

6. We report that *except as stated in Paragraph 5 above* the accompanying consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures issued by the Institute of Chartered Accountants of India.

7. Based on our audit and on consideration of reports of other auditors on separate financial statements of subsidiaries and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that *subject to the matters discussed in paragraph 5 above,* the attached consolidated financial statements give a true and fair view in con-formity with the accounting principles generally accepted in India:

   (a) in the case of the consolidated Balance Sheet, of the state of affairs of Maytas as at March 31, 2007;

   (b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date and

   (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For Krishna & Prasad	**For S.R. Batliboi & Associates**
Chartered Accountants	**Chartered Accountants**
Per	**Per**
B.Vijaya Prasad	**Ali Nyaz**
Partner	**Partner**
Membership No.18791	**Membership No.200427**
Hyderabad	**Hyderabad**
August 21, 2007	**August 21, 2007**

MAYTAS INFRA LIMITED

(formerly known as Maytas Infra Private Limited)

Consolidated Balance Sheet as at March 31, 2007

(All amounts are in Million rupees except for share data or as otherwise stated)

	Schedules		As at March 31, 2007
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	**1**	500.00	
Reserves and surplus	**2**	2,097.71	
			2,597.71
Loan Funds			
Secured loans	**3**	2,569.30	
Unsecured loans	**4**	2,394.38	
			4,963.68
Deferred tax liability (net)	**5**	56.38	
			7,617.77
APPLICATION OF FUNDS			
Fixed Assets	6		
Gross block		1,976.31	
Less: Accumulated depreciation		341.30	
Net block			1,635.01
Capital work-in-progress (including capital advances)			390.78
Investments	**7**		1,407.05
Deferred tax asset			0.96
Current Assets, Loans and Advances			
Inventories	**8**	1,175.18	
Cash and bank balances	**9**	805.65	
Sundry debtors	**10**	2,887.86	
Loans and advances	**11**	2,353.70	
		7,222.39	
Less: Current Liabilities and Provisions			
Liabilities	**12**	2,966.39	
Provisions	**13**	72.03	
		3,038.42	
Net Current Assets			4,183.97
Notes to Accounts	**21**		**7,617.77**

The schedules referred to above form an integral part of the Consolidated Balance Sheet

This is the Consolidated Balance Sheet referred to in our report of even date.

For Krishna & Prasad
Chartered Accountants

Per
B.Vijaya Prasad
Partner
Membership No.18791

For S.R. Batliboi & Associates
Chartered Accountants

Per
Ali Nyaz
Partner
Membership No.200427

For and on behalf of the Board
Maytas Infra Limited

B. Teja Raju
Vice Chairman

PK Madhav
Wholetime Director

V.V. R. Raju
Chief Financial Officer

J Veerraju
Company Secretary

Place: Hyderabad
Date: August 21, 2007

Consolidated Profit and Loss Account for the year ended March 31, 2007

(All amounts are in Million rupees except for share data or as otherwise stated)

	Schedules	For the year ended March 31, 2007
Income		
Contract revenues	**14**	7,820.48
Other income	**15**	40.53
Accretion to Work in progress	**16**	497.39
		8,358.40
Expenditure		
Material consumed	**17**	2,117.92
Personnel expenses	**18**	251.66
Contract, administrative and selling expenses	**19**	4,736.75
Financial expenses	**20**	209.17
Depreciation	**6**	155.98
Preliminary expenses written off		0.39
		7,471.87
Add : Income from Associates		(48.04)
Profit before tax		838.49
Provision for taxation		
- Current tax		266.49
- Fringe benefit tax		4.84
- Deferred taxes of earlier years		11.21
- Deferred tax		29.45
- Taxes for earlier years		38.77
		350.76
Profit after tax		**487.73**
Add: Balance brought forward from previous years		2,059.73
Appropriations:		
Transfer to general reserve		450.00
Proposed dividend		50.00
Dividend tax		8.50
Surplus carried to Balance Sheet		2,038.96
Earnings per share *(Refer note 19 on schedule 21)*		
Basic		10
Diluted		10
Nominal value		10
Notes to Accounts	**21**	

The schedules referred to above form an integral part of the Consolidated Profit and Loss Account

This is the Consolidated Profit and Loss Account referred to in our report of even date.

For Krishna & Prasad
Chartered Accountants

Per
B.Vijaya Prasad
Partner
Membership No.18791

For S.R. Batliboi & Associates
Chartered Accountants

Per
Ali Nyaz
Partner
Membership No.200427

For and on behalf of the Board
Maytas Infra Limited

B. Teja Raju
Vice Chairman

PK Madhav
Wholetime Director

V.V. R. Raju
Chief Financial Officer

J Veerraju
Company Secretary

Place: Hyderabad
Date: August 21, 2007

Consolidated cash flow statement for the year ended March 31, 2007
(All amounts are in Million rupees except for share data or as otherwise stated)

				2006-07
A.	**Cash flow from operating activities**			
	Net Profit before tax			838.49
	Adjustments for:			
	Depreciation			155.98
	Foreign exchange loss (net)			(0.00)
	Provision for Retirement Benefits			4.50
	Interest expense			183.37
	Interest income			(48.25)
	Dividend income			(0.03)
	(Profit)/Loss on sale of fixed assets			0.30
	(Profit)/Loss from Associates			48.04
	Operating profit before working capital changes			**1,182.40**
	Movements in working capital:			
	Decrease/(Increase) in Inventories			(885.94)
	Decrease/(Increase) in Sundry debtors			(1,588.22)
	Decrease/(Increase) in Loans and advances			(448.16)
	Increase/(Decrease) in Sundry creditors			1,577.50
	Cash used in operations			**(162.42)**
	Direct taxes paid (net of refunds)			(218.17)
	Net cash used in operating activities	**(A)**	**(380.59)**	
B.	**Cash flows from investing activities**			
	Acquisition of fixed assets			(1,291.66)
	Sale of fixed assets			12.99
	Purchase of Investments			(666.86)
	Share application money			(165.39)
	Sale of investments			1.51
	Short term deposits			(23.33)
	Interest received			18.01
	Dividend received		0.03	
	Net cash used in investing activities	**(B)**	**(2,114.70)**	

			2006-07	
C.	**Cash flows from financing activities**			
	Proceeds from long term borrowings			3,031.18
	Repayment of long term borrowings			(611.08)
	Proceeds from short term borrowings			683.49
	Interest paid			(152.55)
	Dividend paid			(10.00)
	Tax on Dividend paid			(1.40)
	Net cash from financing activities	**(C)**	**2,939.64**	
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**444.35**	
	Cash and Cash Equivalents - As at April 1, 2006			187.97
	Cash and Cash Equivalents - As at March 31, 2007			632.32
	Notes to the cash flow statement			
	Cash and bank balances as per Balance Sheet			805.65
	Less : Deposits considered under investing activity			173.33
	Cash and cash equivalents considered for cashflows		**632.32**	

For Krishna & Prasad
Chartered Accountants

Per
B.Vijaya Prasad
Partner
Membership No.18791

For S.R. Batliboi & Associates
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Ali Nyaz
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For and on behalf of the Board
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B. Teja Raju
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Company Secretary

Place: Hyderabad
Date: August 21, 2007

Schedules to Consolidated Balance Sheet

(All amounts are in Million rupees except for share data or as otherwise stated)

Schedule 1 : Share Capital	**As at March 31, 2007**
Authorised	
75,000,000 equity shares of Rs.10 each	750.00
Issued, subscribed and paid up	
50,000,000 equity shares of Rs.10 each	500.00
(of the above equity shares, 40,000,000 equity shares of Rs.10 each were allotted as bonus shares by capitalization of reserves)	

Schedule 2 : Reserves and surplus	**As at March 31, 2007**
General Reserve	
Balance as per last Balance Sheet	8.78
Add: Transferred from Profit and Loss Account	450.00
	458.78
Less: Issue of bonus shares	400.00
	58.78
Foreign currency translation reserve	(0.03)
Profit and Loss Account balance	2,038.96
	2,097.71

Schedule 3 : Secured loans	**As at March 31, 2007**
(Refer note 8 on schedule 21)	
From Bank :	
Term loans (Repayable within one year Rs. 879.34 Million)	1,426.67
From others (Repayable within one year Rs. 153.83 Million)	203.71
Working capital loans	935.46
Interest accrued and due	3.46
	2,569.30

Schedule 4 : Unsecured loans	**As at March 31, 2007**
Loans – others	32.34
Finance lease obligation	40.73
Mobilisation advance [Repayable within one year - Rs NIL]	2,321.31
	2,394.38

Schedule 5 : Deferred tax liability (net)	**As at March 31, 2007**
Deferred tax liability on account of depreciation	58.31
Deferred tax asset on account of retirement benefits	(1.93)
	56.38

Schedules to Consolidated Balance Sheet

(All amounts are in Million rupees except for share data or as otherwise stated)

Schedule 6: Fixed Assets

Description	Gross Block				Depreciation			Net Block	
	As at April 1, 2006	Additions during the year	Deletions during the year	As at March 31, 2007	As at April 1, 2006	For the year	On sales / adjustments	As at March 31, 2007	As at March 31, 2007
Land	21.59	9.43	-	31.02	-	-	-	-	31.02
Buildings	0.00	1.68	-	1.68	-	0.01	-	0.01	1.67
Temporary erections	13.27	79.11	-	92.38	7.29	11.94	-	19.23	73.15
Lease hold improvements*	0.00	40.90	-	40.90	0.00	0.68	-	0.68	40.22
Plant and machinery - Construction equipment	906.41	793.52	32.19	1,667.74	162.42	125.17	19.18	268.41	1,399.33
Office equipment	12.47	7.34	0.52	19.29	3.99	1.00	0.37	4.62	14.67
Tools and implements	6.73	7.00	0.14	13.59	6.12	6.11	0.09	12.14	1.45
Computers	14.58	10.99	0.00	25.57	4.66	2.63	0.00	7.29	18.28
Furniture and fixtures	16.31	4.66	0.13	20.84	4.77	3.60	0.06	8.31	12.53
Vehicles	49.02	14.28	0.00	63.30	15.77	4.84	0.00	20.61	42.69
Grand Total	**1,040.38**	**968.91**	**32.98**	**1,976.31**	**205.02**	**155.98**	**19.70**	**341.30**	**1,635.01**

* Note : Leasehold improvements represent fixtures taken on finance lease.

Schedules to Consolidated Balance Sheet

(All amounts are in Million rupees except for share data or as otherwise stated)

	Face Value	As at March 31, 2007	
		Number	Amount
Schedule 7 : Investments (Unquoted)			
Long term (At cost)			
A. Trade - Equity shares (fully paidup)			
1. Gautami Power Private Limited*	10	74,487,217	744.87
2. SSJV Projects Private Limited	10	100	0.00
B. Investments in associates in Equity shares (fully paidup)			
1. Brindavan Infrastructure Company Limited**			
9,999,925 equity share of Rs. 10 each fully paidup			100.00
Add Profit/(Loss) for the current year			58.64
			158.64
2. KVK Power & Infrastructure Company Private Limited			
4,000,000 equity share of Rs. 10 each fully paidup			40.00
Add: Opening balance of accumulated balances			(0.19)
Add: Profit/(Loss) for the current year			(0.50)
			39.31
3. Bangalore Elevated Tollway Limited			
2,982,520 equity share of Rs. 10 each fully paidup			291.03
Add: Opening balance of accumulated balances			(1.49)
Add: Profit/(Loss) for the current year			(100.27)
			189.27
4. Western UP Tollway Limited			
2,458,500 equity share of Rs. 10 each fully paidup			225.60
Add: Opening balance of accumulated balances			(0.33)
Add: Profit/(Loss) for the current year			(1.85)
			223.42
5. Himachal Sorang Power Private Limited			
3,300 equity share of Rs. 10 each fully paidup			0.03
Add: Opening balance of accumulated balances			(0.02)
			0.01

	Face Value	As at March 31, 2007	
		Number	Amount
6. KVK Nilachal Power Private Limited			
250,000 equity share of Rs. 10 each fully paidup			2.50
Add: Opening balance of accumulated balances			(1.12)
Add: Profit/(Loss) for the current year			(1.38)
			-
7. S V Power Private Limited			
250,000 equity share of Rs. 10 each fully paidup			2.50
Add: Opening balance of accumulated balances			(0.44)
Add: Profit/(Loss) for the current year			(0.90)
			1.16
8. Dhabi Maylas-LLC			
49 equity share of 1000 Dirhams each fully paidup			1.80
Add: Opening balance of accumulated balances			-
Add: Profit/(Loss) for the current year			(1.80)
			-
in Preference shares (fully paidup)			
1. Brindavan Infrastructure Company Limited**	100	500,000	50.00
C. Current Investments			
Unquoted			
Maytas (Singapore) Holding Pte Limited	S$ 1	1	0.00
Quoted			
36513 units of Rs.10 each fully paidup of Franklin Templeton mutual fund	10	36,513	0.37
* The shares are subject to Non-disposal undertaking furnished in favour of the Power Finance Corporation. Further, shares to the extent of 38,124,162 have been pledged with the said corporation for the term loan availed by Gautami Power Limited			
** The shares have been pledged in favour of Infrastructure Development Finance Company Ltd. and Corporation Bank for the term loan availed by Brindavan Infrastructure Company Limited			
Aggregate value of unquoted investments: Rs.1406.69 Million Aggregate value of quoted investments: Rs.0.36 Million Market value of quoted investments: Rs.0.37 Million			
			1,407.05

Schedules to Consolidated Balance Sheet

(All amounts are in Million rupees except for share data or as otherwise stated)

Schedule 8 : Inventories	**As at March 31, 2007**
Stock- in-trade	554.73
Work-in-progress	620.45
	1,175.18

Schedule 9 : Cash and bank balances	**As at March 31, 2007**
Cash in hand	3.36
Balances with scheduled banks	
- on current accounts	590.82
- on margin money deposits*	146.13
- on deposits	27.20
Balances with Non scheduled banks	
- on current accounts with Manvi Pattana Souharda Bank Niyamitha (Maximum amount outstanding during the year Rs.7.60 Million)	0.03
Cheques in transit	38.11
* lodged with authorities	
	805.65

Schedule 10 - Sundry debtors – (Unsecured and considered good)	**As at March 31, 2007**
(Refer note 10 on schedule 21)	
Debts outstanding for a period exceeding six months	
Considered good*	590.33
Other debts	
Considered good*	2,297.53
*[includes retention money exceeding six months : Rs. 174.71 Million retention money not exceeding six months : Rs.265.82 Million]	
	2,887.86

Schedule 11 : Loans and advances(Unsecured, considered good)	**As at March 31, 2007**
(Refer note 11 on schedule 21)	
Dues from Joint Ventures	187.05
Advances recoverable in cash or kind or for value to be received*	1,062.72
Inter corporate Loans	251.45
Other receivables	432.76
Deposits	128.47
Interest accrued	21.88
Unamortised exchange premium	3.98
Sales tax deducted at source	121.66
Service tax	0.92
Advance tax (Net of provision)	142.81
*includes share application money aggregating to Rs.169.40 Million towards various investments proposed to be made by the Company	
	2,353.70

Schedule 12 : Liabilities	As at March 31, 2007
Sundry creditors	1,240.75
Advances from customers	10.57
Dues to Joint ventures	18.16
Dues to Sub-Contractors	1,110.63
Other liabilities	331.85
Security deposits payable	239.07
Interest accrued but not due	15.36
	2,966.39

Schedule 13 : Provision	As at March 31, 2007
Proposed dividend	50.00
Dividend tax	8.50
Taxation (Net of advance tax)	7.72
For fringe benefit tax (Net of advance payments)	0.12
For retirement benefits	5.69
	72.03

Schedules to Consolidated Profit and Loss Account

Schedule 14 : Contract Revenues	For the year ended March 31, 2007
Revenue from contracts	7,763.89
Equipment hire charges	56.59
	7,820.48

Schedules to Consolidated Profit and Loss Account

(All amounts are in Million rupees except for share data or as otherwise stated)

Schedule 15 : Other income	For the year ended March 31, 2007
Interest income (Gross) (Tax deducted at source : Rs.10.15 Million)	36.24
Miscellaneous receipts	3.92
Profit on sale of assets	0.34
Dividend Income	0.03
	40.53

Schedule 16 : Accretion in work-in-progress	
Opening work in progress	123.06
Closing work in progress	620.45
	497.39

Schedule 17 : Material consumed	
Opening stock	166.18
Add: Purchases	2506.47
	2,672.65
Less: Closing stock	554.73
	2,117.92

Schedule 18 : Personnel expenses		**As at March 31, 2007**
Salaries, bonus and other allowances		225.76
Contribution to provident fund and others		8.24
Staff welfare expenses		11.98
Retirement benefits		5.68
		251.66

Schedule 19 : Contract , Administrative and Selling expenses		**For the year ended March 31, 2007**
Site expenses		109.25
Subcontractor expenses		4050.01
Wages and benefits to workers		59.48
Insurance		25.11
Insurance – others		2.50
Power and fuel		35.88
Repairs and maintenance		
- Plant & Machinery		75.84
- Others		9.95
Sales tax		140.97
Service tax		31.53
Rent		24.25
Rates and taxes		6.96
Office maintenance		24.48
Communication expenses		11.11
Printing and stationary		7.48
Legal and professional charges		45.75
Loss on sale of assets		0.64
Loss on exchange fluctuation		6.03
Tender expenses		10.19
Business promotion		5.20
Donations		0.96
Travelling and conveyance		42.13
Auditors' remuneration (inclusive of service tax) :		
as Auditors		3.67
Taxation		0.19
Certification		0.02
Membership and subscription		0.62
Staff recruitment expenses		2.48
Miscellaneous expenses		4.07
		4,736.75

Schedule 20 : Financial expenses		**For the year ended March 31, 2007**
Interest on fixed period loans		97.09
Interest others	79.51	
Less : Interest received from Joint Venture	6.00	
(Tax deducted at source Rs. 2.69 Million)		
Net Interest paid		73.51
Lease finance charges		0.78
Bank charges		37.79
		209.17

Schedule 21:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2007
(All amounts are in Million rupees except for share data or as otherwise stated)

1. Statement of significant accounting policies

a. The Consolidated Financial Statements of Maytas Infra Limited ("Maytas" or "the Parent Company") together with its subsidiaries, associates and joint venture entities (collectively termed as "the Company" or "the Consolidated Entities") are prepared under historical cost convention on accrual basis to comply in all material respects with the mandatory Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India ("ICAI").

Investments in consolidated investees, except where such investments are acquired with a view to its subsequent disposal in the immediate future, are accounted in accordance with accounting principles as defined under AS 21 "Consolidated Financial Statements", AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.

The joint ventures are in the form of "Jointly Controlled Entities" and are consolidated using the proportionate consolidation method. All material inter-company balances and inter-company transactions and resulting unrealized profits or losses are eliminated on consolidation.

The Consolidated Financial Statements for the year ended March 31, 2007 include the financial statements of the following subsidiaries, associates and joint venture entities:

	Name of the Consolidated Entities	Country of Incorporation	% of Interest
	Subsidiaries		
1	Infra Trade FZE	UAE	100%
2.	Maytas (Singapore) Pte. Limited*	Singapore	100%
3.	Maytas Infrasys Private Limited *@	India	100%
4.	Maytas Infratech Private Limited *@	India	100%
5.	Maytas Projects Private Limited*@	India	100%
	Joint Ventures		
1	Maytas NCC JV – Irrigation	India	50%
2	NCC Maytas JV - U1	India	50%
3	NEC-NCC-Maytas JV	India	25%
4	Maytas-Shankarnarayana JV	India	50%
5	Himachal Joint Venture	India	45%
6	IJM –SCL Joint Venture	India	50%
7	NCC-Maytas JV (Pocharam)	India	50%
8	Maytas SNC JV	India	40%
	Associates		
1	Dhabi Maytas Contracting LLC	UAE	49%
2	Brindavan Infrastructure Company Limited	India	33.3%
3	KVK Power & Infrastructure Company Private Limited	India	50%
4	Bangalore Elevated Tollway Limited	India	33%
5	Western UP Tollway Limited	India	30%
6	Himachal Sorang Power Private Limited	India	33%
7	KVK Nilachal Power Private Limited	India	50%
8	S V Power Private Limited**	India	50%

* Not considered for consolidation as the control is temporary.

@ Ceased to be subsidiaries with effect from December 30, 2006

** Considered to be an associate by virtue of the Parent Company's control of the composition of the Board of Directors as on the Balance Sheet date.

b. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Revenue from long term construction contracts is recognized on the percentage of completion method. Percentage of completion is determined on the basis of surveys performed. However, profit is not recognized unless there is reasonable progress on the contract. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the income statement of the period in which revisions are made. The revenue on account of claims is accounted for based on Management's estimate of the probability that such claims would be admitted either wholly or in part.

ii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii. Dividend is recognised as and when the right to receive payment is established.

iv. Income from currency swaps and other similar instruments are recorded upon settlement or termination of the relevant contracts.

c. Fixed assets

i. Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/ subsidies, if any. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use.

ii. Depreciation is provided on a straight line basis, based on useful life of the assets as estimated by Management which generally coincides with rates prescribed under Schedule XIV to the Companies Act, 1956 in Maytas.

iii. Assets costing Rs.0.005 or less are fully depreciated in the year of purchase.

Depreciation on the following fixed assets is provided on at rates that are higher than those specified in Schedule XIV to the Companies Act, 1956 and are based on useful lives as estimated by Management of Maytas:

a. Tools and implements are depreciated fully in the year of purchase

b. Plant and machinery – construction equipment at project sites at the rate of 11.3%.

c. Temporary erections in the form of sheds, camps are depreciated over the period of the respective project.

d. Investments

i. Investments in readily realisable securities that are intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

ii. Long-term investments are carried at cost. Provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments. Current investments are carried at lower of cost and market value determined on individual investment basis.

e. Inventories

i. Materials at site are valued at the lower of cost and estimated net realizable value. Cost is determined on a weighted average basis.

ii. Work-in-progress related to project and construction is valued at cost till such time the outcome of the related project is ascertained reliably and at contractual rates thereafter.

Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to affect the sale.

f. Retirement and other employee benefits

i. The Company's contribution to provident fund is recognised on accrual basis.

ii. Liability for Gratuity and Leave encashment is provided on the basis of an actuarial valuation carried out at the end of each financial year in Maytas.

g. Income Taxes

Tax expense consists of current, deferred and fringe benefit taxes. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Where the Company has carry forward of unabsorbed depreciation or tax losses deferred tax assets are recognized only if it is virtually certain backed by convincing evidence that such deferred tax assets can be realized against future taxable profits.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become virtually certain that future taxable income will be available against which such deferred tax assets can be realised.

h. Foreign currency transactions

Initial Recognition

i. Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction. Exchange rate differences are recognized in the profit and loss account.

Conversion

ii. Foreign currency monetary items are reported at contract rates and/or at year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

Forward exchange contracts not intended for trading or speculation purposes

iii. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense of the year.

Foreign Currency Translation

iv. In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

i. Leases

Where the Company is a Lessee

i. Leases, where the substantial risks and benefits incidental to ownership of the leased item are transferred to the Company, are classified as finance leases. Assets under finance leases, where there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the tenure of the lease or estimated useful life of the asset, whichever is shorter.

ii. Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

iii. Assets acquired under finance lease are depreciated on a straight line basis over the lease term.

Where the Company is a Lessor

i. Assets under operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

j. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average of number of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

k. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

l. Provisions

A provision is recognised when the Company has a present obligation as a result of past event i.e. it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2. Uniform accounting policies

As per the requirements of AS -21, AS-23, AS-27, in the preparation of consolidated financial statements, the accounting policies of the consolidated entities are required to be aligned with those of the parent to the extent practicable. The following accounting policies followed by various consolidated entities is not aligned with those of the Parent Company –

a) Depreciation in certain consolidated joint venture entities is provided on written down value method as compared to straight line method followed in the books of Parent Company. The Company has not ascertained the impact of such differential accounting policy on the consolidated profits for the year ended and financial position of the Company as at March 31, 2007.

b) In the absence of information regarding the gross block and accumulated depreciation of the following joint ventures, only the net block as at March 31, 2007 have been considered for consolidation. The proportion of net block of the joint ventures as compared to the Company's net block is 23% of the consolidated net block.

   i. Maytas-Shankarnarayana JV

   ii. Himachal Joint Venture

   iii. IJM –SCL Joint Venture

Management is of the opinion that such alignment of accounting policies is not practicable and that the cumulative impact of such alignment if made, would not be significant to the consolidated financial statements.

3. Investments in Associates

Management has considered investments made by the Parent Company in certain Joint Ventures where joint control exists as Associates as defined under AS -23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by ICAI and accordingly consolidated the results of such Associates under Equity Method.

4. Himachal Joint Venture

The financial statements of Himachal Joint Venture include income in respect of claims of Rs. 398.00 Million (Parent Company's share – Rs.179.10 Million). Further the JV has also not accrued for interest expense of Rs.157.11 Million (Parent Company's share – Rs.70.70 Million). In the absence of detailed information on the nature of such claims and interest expense, the Parent Company in its consolidated financial statements has not made any further adjustments to its share of income or expenses in relation to such items.

5. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 348.12 Million.

6. Contingent liabilities not provided for

	Particulars	March 31, 2007
i.	Claims against the Company not acknowledged as debts	14.20
ii.	Outstanding bank guarantees (excluding performance obligations)	1758.80
iii.	Guarantees issued by bankers, financials institutions on behalf of the Company toward performance obligations	1601.00
iv.	Outstanding letter of credit	281.56
v.	Direct and Indirect taxes	95.75
vi.	Corporate guarantee given on behalf of associates	100.00

7. Share Capital

Employee stock option scheme

Maytas instituted an Employee Stock Option Plan "ESOP – 2007" as per the resolution passed in the Extraordinary General Meeting held on March 30, 2007. This scheme has been formulated in accordance with the provisions of Section 81(1A) and any other provision of the Companies Act, 1956 and subject to the provisions of the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The compensation committee on April 14, 2007 granted options of 644,967 equity shares of Maytas to eligible employees. Each option comprises of one underlying equity share of Rs.10 each fully paid-up. The said options vest on an annual basis at 20%, 20%, 30% and 30% over a period of four years and shall be capable of being exercised within a period of three years from date of vesting of respective employee stock option. The options are granted at an exercise price equal to the issue price of Maytas's share determined through an Initial Public Offer.

8. Secured Loans

i. Term Loans availed in respect of specific projects are secured by a first charge on the present and future immovable assets, movable assets and current assets related to the project.

ii. All term loan facilities from various banks are secured by a pari passu charge on the movable and current assets of the Company and are guaranteed by the directors.

iii. Cash credit facilities are secured by pari passu charge on the current assets of the Company.

iv. Secured loans aggregating to Rs. 1,787.71 Million are personally guaranteed by the Vice-chairman and directors of the Company.

v. Other loans are secured by way of hypothecation of the related assets.

9. Changes in accounting policies

In the current year, the Company has changed its method of providing for retirement benefits, from payment basis to actuarial basis as per AS 15 "Accounting for retirement benefits in the Financial Statements of Employers" issued by the ICAI. Had the Company continued to use the earlier basis of providing retirement benefits, profit before tax for the current year would have been higher by Rs. 4.45 Million and provision for retirement benefits would have been lower Rs. 4.45 Million.

10. Sundry Debtors

a. Sundry debtors as at March 31, 2007 include certain claims aggregating to Rs. 144.75 Million recognized in the earlier years based on the terms and conditions implicit in the respective contracts. Since these claims are technical in nature and are the subject matter of arbitration/dispute relating to the Company has obtained an opinion on the recoverability of such claims from its legal counsel. Accordingly, no provision is considered necessary in respect of such claims.

b. Sundry debtors as at March 31, 2007 include debt amounting to Rs. 52.84 Million due from Maytas Hill County Private Limited in which one of the Directors of Maytas is a Director.

11. Loans and advances

a. Loans and advances include an amount receivable from Maytas Holdings Private Limited, a company under the management of Maytas amounting to Rs. 14.14 Million (Maximum amount outstanding during the year Rs. 15.14 Million).

b. Advances due from companies in which one of the Directors of Maytas is a Director:

Name of the party	March 31, 2007	Maximum amount outstanding during the year
Continental Thermites Private Limited	0.01	0.01
Maytas Infrasys Private Limited	0.03	0.03
Maytas Infratech Private Limited	34.78	34.78
Maytas Projects Private Limited	36.77	36.77
Maytas Properties Private Limited	0.43	122.95
Samrat Marine Products Private Limited	2.42	2.42
SRSR Advisory Services Private Limited	0.03	0.03
SSJV Projects Private Limited	44.95	45.14

12. In terms of the disclosures required to be made under the accounting standard (AS) 7 (revised 2002) issued by the Institute of Chartered Accountants of India for "Construction Contracts":

	2006-07
Contract revenue recognised	7,820.48
Contract cost incurred and recognised profits (less recognised losses) for contracts in progress	7,169.06
Advances received for contracts in progress	2,225.22
Amount of retention for contracts in progress	451.04
Gross amount due from customers for contract work	2,887.86
Gross amount due to customers for contract work	10.57

13. Remuneration to whole-time directors

Particulars	**2006-07**
Salary	4.26
Contribution to provident fund	0.50
Total	**4.76**

Note

The above figures do not include provision for retirement benefits, as the same is actuarially determined for the Company as a whole.

14. Related party transactions (not disclosed elsewhere in these financial statements)

a) Transactions with related parties during the year

Particulars	**2006-07**
A. Subsidiaries (Disinvested on December 30, 2006)	
1. Maytas Infrasys Private Limited	0.00
2. Maytas Infratech Private Limited	0.00
3. Maytas Projects Private Limited	0.00

Particulars	2006-07
B. Joint ventures (JV)	
1. IJM – SCL (JV)	
Share of profit/(loss)from joint venture	(2.97)
2. Himachal (JV)	
Share of profit / (loss) from joint venture	15.65
3. NEC – NCC – Maytas (JV)	
Finance	3.62
Repayment of/ (Receipt)against loans/expenses	(7.43)
Share of profit / (loss) from joint venture	0.86
4. Maytas – Shankarnarayana (JV)	
Finance	72.61
Reimbursement of expenses	1.21
Repayment of /(Receipt) against loans/expenses	(9.97)
Hire charges	7.39
Share of profit / (loss) from joint venture	2.48
5. Maytas – NCC (JV)	
Finance	134.49
Reimbursement of expenses	(5.47)
Repayment of /(Receipt) against loans/expenses	(108.88)
Hire charges	49.20
Contract revenue	163.19
Share of profit / (loss) from joint venture	71.75
(Receipt) against contract revenues	(119.57)
6. NCC – Maytas (JV)	
Reimbursement of expenses	10.31
Contract revenues	12.15
Share of profit / (loss) from joint venture	0.68
Receipt against contract revenues / sale of investments	(27.20)
7. NCC – Maytas (JV) (Pocharam)	
Finance	0.70
Reimbursement of expenses	0.39
Purchase of assets	(5.61)
Share of profit / (loss) from joint venture	(1.55)
Receipt against contract revenues	(5.18)
8. Maytas SNC JV	
Receipt against contract revenues/ sale of investments	(0.18)
Share of Profit/ (Loss) from JV	(3.51)
C. Associates	
1. Bangalore Elevated Tollway Limited	
Share application money	5.60
Equity contribution	290.23
2. Brindavan Infrastructure Company Limited	
Finance	0.22
Reimbursement of expenses	0.00
Repayment of /(Receipt) against loans/expenses	(0.23)

Particulars	2006-07
3. **Himachal Sorang Power Private Limited**	
Share application money	60.23
Equity contribution	0.03
4. **Western UP Tollway Limited**	
Share application money	4.72
Equity contribution	223.35
5. **SSJV Projects Private Limited**	
Finance	20.00
6. **KVK Power and Infra Structure Private Limited**	
Share application money	45.50
7. **Dhabi Maytas Contracting LLC**	
Share application money	6.17
Equity contribution	1.80
8. **KVK Nilachal Power Private Limited**	
Share application money	43.10
Equity contribution	2.50
Reimbursement of expenses	0.07
9. **SV Power Private Limited**	
Finance	2.50
D. **Enterprises over which shareholders, key management personnel or their relatives exercise significant influence**	
1. **SNR Investments Private Limited**	
Repayment of /(Receipt) against loans/expenses	2.60
Dividend	1.05
2. **Veeyes Investment Private Limited**	
Dividend	1.05
3. **Elem Investments Private Limited**	
Receipt against contract revenues / sale of investments	(50.00)
Dividend	1.05
4. **Maytas Holdings Private Limited**	
Finance	12.50
Reimbursement of expenses	2.64
Repayment of /(Receipt) against loans/expenses	(1.00)
5. **Highgrace Investments Private Limited**	
Repayment of /(Receipt) against loans/expenses	(50.00)
Dividend	1.05
6. **Fincity Investments Private Limited**	
Repayment of /(Receipt) against loans/expenses	21.10
Dividend	1.05
Receipt against contract revenues / sale of investments	(45.00)
Finance	2.00

Particulars	2006-07
7. Rohini Greenlands Private Limited	
Finance	4.81
E. Key Management Personnel	
1. B Teja Raju	
Reimbursement of expenses	(0.19)
Repayment of /(Receipt) against loans/expenses	1.68
Managerial remuneration	1.81
Dividend	0.30
2. B Suryanaranayana Raju	
Managerial remuneration	1.77
Dividend	0.58
3. B Rama Raju	
Repayment of /(Receipt) against loans/expenses	3.85
Dividend	1.08
4. P K Madhav	
Reimbursement of expenses	(0.27)
Managerial remuneration	1.17
F. Relatives of key management personnel	
1. B Appala Narasamma	
Repayment of /(Receipt) against loans/expenses	4.56
Dividend	0.08
2. B Jhansi	
Repayment of /(Receipt) against loans/expenses	1.50
Dividend	0.28
3. B Nandini	
Dividend	0.51
4. B Radha	
Dividend	0.52
5. B Ramalinga Raju	
Repayment of /(Receipt) against loans/expenses	21.00
Dividend	1.10
6. B Rama Raju (son of B.Ramalinga Raju)	
Dividend	0.30

b) Balances outstanding Debit / (Credit)

	As at March 31, 2007
A. Subsidiaries (Disinvested on December 30, 2006)	
1. Maytas Infrasys Private Limited	0.03
2. Maytas Infratech Private Limited	34.78
3. Maytas Projects Private Limited	36.77

B.	**Joint ventures**		
	1.	IJM – SCL (JV)	60.58
	2.	Himachal (JV)	(9.95)
	3.	NEC – NCC – Maytas (JV)	2.32
	4.	Maytas – Shankarnarayana (JV)	73.81
	5.	Maytas – NCC (JV)	149.91
	6.	NCC – Maytas (JV)	1.25
	7.	NCC – Maytas (JV) (Pocharam)	5.09
	8.	Maytas SNC JV	(1.58)
C.	**Associates**		
	1.	Bangalore Elevated Tollway Limited	298.29
	2.	Brindavan Infrastructure Company Limited	150.00
	3.	Himachal Sorang Power Private Limited	61.71
	4.	Western UP Tollway Limited	231.22
	5.	SSJV Projects Private Limited	44.95
	6.	KVK Power and Infra Structure Private Limited	85.50
	7.	Dhabi Maytas Contracting LLC	7.97
	8.	KVK Nilachal Power Private Limited	45.67
	9.	S V Power Private Limited	2.50
D.	**Enterprises over which shareholders, key management personnel and their relatives exercise significant influence**		
	1.	Veeyes Investment Private Limited	(0.10)
	2.	Elem Investments Private Limited	98.98
	3.	Maytas Holdings Private Limited	14.14
	4.	Highgrace Investments Private Limited	143.42
	5.	Fincity Investments Private Limited	90.46
	6.	SRSR Estates Private Limited	32.80
	7.	Rohini Greenlands Pvt. Ltd.	32.57
E.	**Key Management Personnel**		
	1.	B Teja Raju	(0.19)
	2.	P.K.Madhav	(0.27)
F.	**Relatives of key management personnel**		
	1.	B Jhansi	(0.63)

c) Names of related parties and description of relationship

Subsidiaries*

1 Maytas Infrasys Private Limited*
2 Maytas Infratech Private Limited *
3 Maytas Projects Private Limited*
4 Infra Trade FZE

* ceased to be subsidiaries with effect from December 30, 2006

Joint Venture

1. Maytas SNC JV
2. NCC Maytas JV (Pocharam)
3. IJM-SCL(JV)
4. Himachal Joint Venture
5. NEC-NCC-Maytas(JV)
6. Maytas Shankarnarayana (JV)
7. Maytas NCC (JV)
8. NCC Maytas (JV) (Kship U1)

Associates

1. Bangalore Elevated Tollway Limited
2. Brindavan Infrastructure Company Limited
3. Himachal Sorang Power Private Limited
4. Western UP Tollway Limited
5. KVK Power and Infrastructure Private Limited
6. KVK Nilachal Power Private Limited
7. SV Power Private Limited
8. Dhabi Maytas Contracting LLC

Companies owned by or where significant influence exercised by Key Management Personnel or Relatives

1 Anuradha Bio-Tech Private Limited
2 Bharani Agro Private Limited
3 BRNR Agro Private Limited
4 BSJR Holdings Private Limited
5 Chitta Bio-Tech Private Limited
6 Hastha Agro Private Limited
7 JRB Agro Private Limited
8 Mandaragiri Greenlands Private Limited
9 Nallamala Agro-Farms Private Limited
10 Narmada Greenfields Private Limited
11 Oceanic Greenlands Private Limited
12 Parasanath Greenlands Private Limited
13 Penneru Agro-Tech Private Limited
14 Revathi Bio-Tech Private Limited
15 Rohini Greenlands Private Limited
16 Satabisha Agro Private Limited
17 Satmala Agro-Farms Private Limited
18 SRSR Estates Private Limited
19 Tungabadra Greenlands Private Limited

Enterprises over which shareholders, key management personnel and their relatives exercise significant influence

1 SNR Investments Private Limited
2 Veeyes Investment private Limited
3 Elem Investments Private Limited
4 Maytas Holdings Private Limited
5 Highgrace Investments Private Limited
6 Fincity Investments Private Limited

Key management personnel

1 B. Teja Raju
2 B. Suryanarayana Raju*
3 B. Rama Raju #
4 P.K.Madhav ^
5 R.C.Sinha @

* Ceased as director with effect from December 30, 2006
@ Appointed as director with effect from December 30, 2006
# Ceased as director with effect from October 30, 2006
^ Appointed as director with effect from November 1, 2006

Relatives of key management personnel

1 B Appala Narasamma
2 B Jhansi
3 B Nandini
4 B Radha
5 B Ramalinga Raju
6 B Rama Raju (son of B.Ramalinga Raju)

15. Leases

Operating lease: Operating leases are mainly in the nature of lease of office premises and machinery with no restrictions and are renewable at mutual consent. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. Minimum lease payments under non-cancellable operating leases are:

Particulars	March 31, 2007
Minimum lease payments	
Not later than one year	9.87
Later than one year but not later than five years	43.16
Later than five years	72.78

Particulars	2006 – 07
Lease payments recognized in the profit and loss account for the year	23.91

Finance lease: The present value of minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease obligation and the finance charges are charged to profit and loss account as they arise. Finance lease is in the nature of office improvements and furniture for leasehold office premises. The lease agreement provides for escalation of lease rents over the period of lease term. Lease term is for a period of ten years renewable for a further period of ten years at mutual consent.

Particulars	March 31, 2007
Total minimum lease payments at the year end	0.94
Less: amount representing finance charges	0.78
Present value of minimum lease payments	0.16
Minimum lease payments	
Not later than one year (Present value Rs.1.06 Million)	5.64
Later than one year but not later than five years (Present value Rs.8.05 Million)	24.66
Later than five years (Present value Rs.31.63)	41.60

16. Disclosure regarding Derivative instruments

i. Following derivative instruments entered by the Company for hedging are outstanding as at March 31, 2007.

   i. INR/USD 4.30 Million forward exchange contract due on September 21, 2007.

   ii. INR/USD 10.00 Million interest and currency rate swap due over period of the loan.

ii. Un-hedged foreign currency exposure payable –

   i. Rs.97.56 Million (Euros 1.69 Million)

   ii. Rs.29.39 Million (USD 0.68 Million)

17. The Employee Provident Fund Organization (EPFO) has on September 9, 2005 issued a clarification as per which provident fund contributions should be deducted on leave encashment paid on or after May 1, 2005 and further clarified that recovery of PF contribution on leave encashment for the period October 1, 1994 to April 30, 2005 in abeyance. For the period from October 1, 1994 to April 30, 2005 no provision was made in the books of accounts as the Company's liability towards such contribution is presently not ascertainable.

18. Segmental reporting

The Company operations fall into a single business segment "Construction and Infrastructure Development" and a single geographical segment. Hence, the financial statements of the enterprise represent Segmental Reporting.

19. Earning Per Share

S. No.	Particulars	March 31, 2007
i.	Net Profit available for equity shareholders	487.73
ii.	Weighted average number of shares considered	5.00

20. Details of company's share in Joint Ventures included in the Consolidated Financial Statements are as follows:

Particulars	March 31, 2007
Sources of funds	
Reserves and surplus	183.35
Loan funds	
Secured loans	15.68
Unsecured loans	760.40
Application of funds	
Fixed assets (Net block)	378.96
Capital work in progress (including capital advances)	0.74
Investments	0.36
Deferred tax asset	0.96
Current Assets, Loans and Advances	
Inventories	301.77
Cash and bank balances	256.37
Sundry debtors	604.08
Loans and advances	247.85
	1410.07
Less: Current liabilities and Provisions	
Liabilities	630.55
Provisions	7.84
	638.39

Net Current Assets	**771.68**
Particulars	**2006-07**
Income	
Contract revenues	2044.47
Other income	1.51
Accretion to Work in progress	139.72
	2185.70
Expenditure	
Material consumed	459.22
Personnel expenses	44.03
Contract, administrative and selling expenses	1198.58
Financial expenses	32.27
Depreciation	42.87
	1776.97
Profit before tax	**408.73**
Provision for taxation	
- Current tax	56.49
- Fringe benefit tax	0.34
- Deferred tax	(0.83)
- Taxes for earlier years	37.55
	93.55
Profit after tax	**315.18**

21. Comparative figures for the previous year have not been given as this is the first year in which the Company has presented consolidated financial statements.

In terms of our report of even date

For Krishna & Prasad
Chartered Accountants

Per
B.Vijaya Prasad
Partner
Membership No.18791

For S.R. Batliboi & Associates
Chartered Accountants

Per
Ali Nyaz
Partner
Membership No.200427

For and on behalf of the Board
Maytas Infra Limited

B. Teja Raju
Vice Chairman

PK Madhav
Wholetime Director

V.V. R. Raju
Chief Financial Officer

J Veerraju
Company Secretary

Place: Hyderabad
Date: August 21, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of the Company's financial condition and results of operations together with its restated consolidated financial statements prepared in accordance with paragraph B(1) of Part II of Schedule II to the Companies Act, Indian GAAP and the SEBI Guidelines, including the schedules, annexures and notes thereto and the reports thereon, which appear in this Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the Company's audited unconsolidated financial statements as restated. Indian GAAP differs in certain material respects from U.S.GAAP and IFRS. For more information on these differences, see the section "Summary of Significant Differences among Indian GAAP, U.S. GAAP and IFRS" beginning on page 239 *of this Red Herring Prospectus.*

The Company's fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

In this section, a reference to the "Company" means Maytas Infra Limited. Unless the context otherwise requires, references to "we", "us", or "our" refers to Maytas Infra Limited, its Subsidiaries, its Joint Ventures, its Associates, and Gautami Power, taken as a whole.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" beginning on page xiii *of this Red Herring Prospectus.*

Overview

We are a construction company and infrastructure developer. Our business is organised into two parts – Construction as a contractor on a contract basis and Infrastructure Development which involves identifying, sourcing, developing and operating projects in infrastructure sectors.

We were incorporated in 1988. We have approximately two decades of experience in the construction business. A significant aspect of our strategy is to capitalise on our belief that India will continue to experience strong and growing demand for infrastructure.

In our construction business, we have historically focused on the irrigation, roads and bridges, and buildings infrastructure sectors. We have completed, and continue to undertake, construction projects in these sectors across 12 states of India: Andhra Pradesh, Karnataka, Tamil Nadu, Orissa, Chhattisgarh, Madhya Pradesh, Maharashtra, Himachal Pradesh, Haryana, Gujarat, Uttar Pradesh and Assam. More recently, we have diversified our portfolio of construction projects and are also undertaking civil construction projects in the power, industrial structures, oil and gas infrastructure, and railway sectors. We are also identifying suitable partners, and positioning ourselves for expected opportunities in the water and waste water management, special economic zones, urban infrastructure, ports, and airport sectors as and when viable opportunities arise. We believe our experience, track record, and reputation allows us to secure pre-qualification approvals in a variety of infrastructure sectors in India, either in our own right or as a partner in a joint venture.

We are relatively new to the business of infrastructure development. As an infrastructure developer, we have completed one road project and currently have six projects in the roads and power sectors either in the construction phase or in the pre-financial closure, development stage. Five additional infrastructure development projects are in the award stage.

We currently conduct all our infrastructure development business through Associates and other project companies in which we have an equity investment. In each case, our ownership interest and voting rights in all of our Associates and other project companies is 50.0% or less. We also do not have the right to appoint and/or remove all or a majority of the board of directors of these Project SPVs. We refer to these Associates and project companies as "Project SPVs". While the risks in infrastructure development tend to be higher than in our construction business, we have sought to limit these risks by taking a non-controlling interest in these Project SPVs and by partnering with experienced companies as our co-sponsors. Cash flow to the Company from these Project SPVs will primarily consist of dividends. Shareholder agreements for these Project SPVs provide that decisions relating to the business and operations of these Project SPVs need to be approved either unanimously or by a majority or by a super-majority of the board or shareholders. We exercise "control" of these Project SPVs by exercising our right to veto certain enumerated major decisions that affect our rights as shareholders or our investments in such Project SPVs and otherwise by voting as a block with other co-sponsors of these Project SPVs.

We have financed the development of infrastructure projects undertaken by these Project SPVs through a combination of equity contributions to the relevant Project SPV and securing debt financing at the Project SPV level on a limited recourse basis. We have made significant investments in these Project SPVs. The Company's total investment (including share application money) in Project SPVs comprising Brindavan Infrastructure, Western UP Tollway, Bangalore Elevated Tollway, KVK Nilachal Power, SV Power, Himachal Sorang Power and Gautami Power as of March 31, 2007 was Rs. 1,534.26 million. As the infrastructure development business becomes, as anticipated, an important part of our overall business, the Company's financial condition and results of operations will increasingly depend on the performance of these Project SPVs and the dividends and other distributions we receive from them.

The Company's contract revenues on a restated unconsolidated basis have grown from Rs. 2,037.03 million in fiscal 2004 to Rs. 7,876.71 million in fiscal 2007, at a compound annual growth rate ("CAGR") of 57.0% and the Company's profit after tax has increased from Rs. 62.22 million in fiscal 2004 to Rs. 550.08 million in fiscal 2007, at a CAGR of 106.8%. This growth is mainly due to an increase in profits from the Company's participation in unincorporated joint ventures that are undertaking larger contracts. All of the Company's revenue to date has been from the construction business. For the fiscal year ended March 31, 2007, the Company earned revenue from 49 contracts, eight of which the Company is undertaking as a partner in unincorporated joint ventures. As most of our infrastructure development projects are either in the construction or development phase, and have not yet commenced commercial operation, the Project SPVs have not paid any dividends that have contributed to the Company's revenues. We do not expect to earn any significant revenue (which will primarily be in the form of dividends) from this business in the near future.

Most of the work in both our construction business and infrastructure development business is awarded to us on a competitive bidding basis and, in most cases, the client is a government entity. When a client requires specific eligibility requirements for these projects, such as project experience, engineering capabilities, technical know-how, and financial resources, we may enter into project-specific joint ventures with other companies to meet and further enhance our credentials.

One of our key strategies is to expand our business through geographic and sector diversification. As stated above, historically, our construction business focused on the irrigation, roads and bridges, and buildings infrastructure sectors. More recently, we have diversified our portfolio of construction projects and are also undertaking civil construction projects in the power, industrial structures, oil and gas infrastructure, and railway sectors. Expanding our geographic footprint in India and undertaking construction contracts in new sectors allows the Company to expand its client base of government entities for which it undertakes work and also provides new sources of revenue. Thus, the effect of diversification is to make the Company's revenue less likely to fluctuate due to, and less susceptible to, budgetary allocations by a small pool of government clients or to downturns in available work in a particular sector due to shifts in government policies or priorities. Sectoral diversification also allows the Company to offset lower margin work in its traditional sectors of irrigation and roads with higher margin work currently available in the power, oil and gas infrastructure, and railway sectors, which the Company has recently moved into.

As a further diversification strategy, the Company has entered into infrastructure development projects which we believe we will earn higher returns for the Company than our construction business.

Qualified Audit Report for fiscal 2007

For the fiscal year ended March 31, 2007, the Company prepared for the first time consolidated financial statements due to incorporation of new subsidiaries in the last fiscal quarter. The Company's joint auditors qualified their opinion on the Company's audited consolidated financial statements for fiscal year ended March 31, 2007.

The qualification addresses a difference of opinion and professional judgment with the management of the Company. The qualification relates to the accounting treatment of the Company's investment in each of its Associates which, with one exception, are the Project SPVs through which the Company carries out its infrastructure development business.

As described above, the Company currently conducts all its infrastructure development business through Associates and other project companies in which it has an equity investment. In each case, the Company's ownership interest and voting rights in all of its Associates and other project companies is 50.0% or less. The Company also does not have the right to appoint and/or remove all or a majority of the board of directors of these Associates and other project companies. These Associates and project companies are referred to as "Project SPVs". The Company has sought to limit the risks in the infrastructure development business by taking a non-controlling interest in these Project SPVs and by partnering with experienced companies as its co-sponsors. The Company currently has 10 Project SPVs.

Investments by the Company in Project SPVs in which it has a "significant influence" or "significant interest" are accounted for in accordance with the requirements of AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI. The Company believes that its investments in its Associates should be accounted for using AS-23. Accordingly, in preparing the consolidated financial statements for fiscal year ended March 31, 2007, the Company applied the equity method of accounting under Accounting Standard AS-23 to its investments in these Associates. The joint auditors, however, believe that the "jointly controlled entity" method of accounting under Accounting Standard AS-27 – which means line-by-line consolidation of the Company's and Associates' financial statements – is more appropriate. See "—Critical Accounting Policies" below.

The difference of opinion is whether the Company's contractual arrangements with co-sponsors of the Project SPVs result in a "significant interest" (but not "joint control") triggering equity accounting under AS-23, or, whether these contractual arrangements, as the joint auditors believe, result in "joint control" triggering jointly controlled entity accounting under AS-27. The Company believes that these contractual arrangements are not "joint control" based on an established principle of accounting that substance of a transaction prevails over form. In the Company's judgment, based on all relevant facts and circumstances related to the projects carried out by the Project SPVs and the substance of the contractual arrangements and understanding among co-sponsors, the Company's interest in the Project SPVs are, by intent and purpose, more in the nature of investments in associate enterprises within the meaning of AS-23 and therefore is in the nature of "significant influence" rather than "joint control".

Differences of professional judgment are not infrequent in relation to matters of subjective interpretation and may therefore result in qualifications by auditors both in the statutory financial statements as well as in offer documents such as this Red Herring Prospectus.

Unless the Company changes its position, the Company expects to receive qualified audit opinions on its financial statements in the foreseeable future.

If the Associates were accounted for as jointly controlled entities, the Company's consolidated debt and other liabilities would significantly increase due to consolidation of debt and other liabilities at the Project SPV level, which may adversely impact the Company's ability to borrow on commercially reasonable terms, if at all, and its ability to meet the financial covenants under its loan agreements, and increase its financing costs. See also "Risk Factors —Risks Related to the Company – 43. We have substantial indebtedness and will continue to have substantial indebtedness and service obligations following the Issue." If the Associates were accounted for as jointly controlled entities, while there is an impact on the consolidated balance sheet of the Company as described above, there is no significant impact on the reported consolidated profit of the Company. See the section "Financial Information" beginning on page F-1 of this Red Herring Prospectus.

While, in accordance with the SEBI Guidelines, the Company has included in this Red Herring Prospectus restated consolidated financial statements for the fiscal year ended March 31, 2007 showing the consolidated financial position and results of operations of the Company had effect been given to AS-27, going forward the Company will only be required to provide to its shareholders consolidated financial statements prepared under AS-23 and not AS-27.

In addition, although not a qualification, the auditor's report notes that the Company has not made adjustments to its consolidated financial statements relating to its share of income from certain claims and non-accrual of interest expense from one of its construction business joint ventures. Such claims and non-accrual of interest expense were on account of losses incurred by the joint venture due to bad geological strata encountered by the joint venture.

Please see "Risk Factors – Risks Related to our Construction Business and our Infrastructure Development Business – 1. The joint auditors have qualified their opinion on the consolidated financial statements of the Company and its subsidiaries as at and for the fiscal year ended March 31, 2007; we expect the qualification to continue in the foreseeable future."

Overview of Income and Income and Expenditure

Income

The Company's total income comprises:

- income from the Company's construction business and profits/(losses) from joint ventures;
- income from other sources; and
- accretion or decretion to work-in-progress ("WIP").

Construction business & profits/(losses) from unincorporated joint ventures

All of the Company's revenues are currently derived from its construction business. The Company derives revenue from civil construction services provided to its clients and its share of profits from unincorporated joint ventures providing similar services. Income is recognised by reference to the stage of completion of the contract activity as at the reporting date of the financial statements on the basis of the percentage of completion method in accordance with AS-7 "Accounting for Construction Contracts" issued by the Institute of Chartered Accountants of India ("ICAI"). The percentage of completion method is determined on the basis of surveys performed of work completed; revenues are not recognised until there is reasonable progress on a contract. Accordingly, the Company's revenues from a project are dependent on the completion schedule of the project. The percentage of completion is based on works bills submitted to a client and a certification issued by the client

The Company's Orderbook, inclusive of its share of the Orderbook undertaken by its construction business joint ventures, was Rs. 35,893.2 million as at June 30, 2007. Out of this, the Company's Orderbook on a stand-alone basis and excluding its share of the Orderbook undertaken by these joint ventures, was Rs. 26,999.1 million as of June 30, 2007. We define Orderbook as revenues from projects (i) awarded to us on a prior date and in respect of which we entered into signed agreements or have letters of award or work orders and (ii) for which we have commenced work but not recognized revenue under the percentage of completion of method or for which work had not yet commenced. The Company's Orderbook is not audited and may not reflect the Company's financial results. Although projects in the Orderbook represent business that the Company considers firm, performance of work related to the Orderbook may not be realized as planned and/or cancellations or adjustments to the scope of work may occur. For example, before the Company can begin work, its performance frequently depends on it or a third party satisfying certain conditions precedent such as providing a performance bond, financial closure under the contract terms being achieved, or securing all government approvals, the timing of all of these which it may not always be able to control. Thus, the Company cannot predict with certainty when or if the projects in its Orderbook will be performed and will generate revenue. If the Company does not achieve its expected margins or suffers losses on one or more of these contracts, this could reduce its net income or cause it to incur a loss. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed or dispute the amounts owed to the Company. There may also be delays associated with collection of receivables from clients. Any delay, cancellation or payment default could materially harm our cash flow position, revenues or profits, and adversely affect the trading price of our Equity Shares.

Revenue derived from contracts in the irrigation, roads and bridges, and buildings infrastructure sectors has historically provided substantially all of the Company's revenues. The table below sets forth the revenue earned from these sectors for the fiscal year ended March 31, 2007.

	Fiscal year ended March 31, 2007	
	Revenue (Rs. in millions)	Share of Total (%)
Irrigation	3,815.47	48.4
Roads & Bridges	2,323.11	29.5
Buildings & Structures	1,233.55	15.7
Power sector	354.21	4.5
Oil & Gas	50.06	0.6
Railways	100.31	1.3
Total	**7,876.71**	**100**

To date we have not derived any revenue from contracts in the railway sector.

Substantially all of the Company's revenue in its contracting business is derived from fixed term, fixed-price lump sum contracts or item-rate contracts.

Under the terms of fixed-price or lump - sum contracts, the Company typically agrees to a fixed price for providing civil construction services for the part of the project contracted to it, or in the case of turn-key contracts, completed facilities which are delivered in a ready to operate condition. Under these fixed-price or lump-sum, turn-key contracts, additional costs associated with cost increases in construction materials, fuel, equipment, and materials are borne by the Company unless these contracts contain price escalation clauses.

Under the terms of the Company's item-rate contracts, the Company agrees to provide certain construction activities at a rate specified in the relevant Bill of Quantity ("BOQ"). The BOQ is an estimate of the quantity of items or number of activities involved and these quantities may be varied by the parties during the course of the project. Although, the additional costs associated with actual quantities exceeding estimated quantities generally do not pass to the Company, the Company does, however, bear the risk associated with actual costs for construction activities exceeding the agreed upon rate, unless these item-rate contracts contain price escalation clauses.

The Company's construction contracts either contain limited or no price escalation clauses covering additional costs. The actual expense to the Company for executing contracts may also vary substantially from the assumptions underlying the Company's bid for several reasons, including unanticipated changes in the engineering design of the project, unanticipated increases in the cost of equipment, material or labour, delays associated with the delivery of equipment and materials to the project site, unforeseen construction conditions, including inability of the client to obtain requisite environmental and other approvals, delays caused by local weather conditions and suppliers' or subcontractors' failure to perform.

Also, as contracts tend to be fixed-time contracts, the company bears the risk of unanticipated delays other than for *force majeure* events or in other limited circumstances.

Other Income (including income from infrastructure development business)

Other income includes income from interest earned from bank deposits and other third parties, dividends on investments, sale of investments, sale of used construction equipment, sale of scrap and other assets. Some of these income streams are not recurring in nature, may be extraordinary items, and may fluctuate from year to year. In the future, this line item will include dividends and any other distributions from Project SPVs. The total income from such other sources for the fiscal years ended March 31, 2007, 2006 and 2005 was Rs. 39.01 million, Rs. 10.46 million and Rs. 569.28 million, respectively, which was 0.6%, 0.4% and 21.8% of the Company's total income in such respective periods. In fiscal 2005, other income of Rs. 569.28 million consisted primarily of profit realised on the sale of an investment of Rs. 550.19 million.

The Company conducts all of its infrastructure development business through Project SPVs. In some cases, similar to the construction business, the assets of these Project SPVs generate, or will generate when the relevant projects achieve operational status, fixed revenue. As discussed in the next paragraph, unlike the construction business, however, the assets of some Project SPVs do not limit the revenue that can be generated.

The fixed-revenue assets include the annuity road projects and the power projects. Substantially all of the revenue under these projects is fixed by the terms of the concession agreement or power purchase agreement. Under these agreements, if these assets are available to be used by customers, customers are required to pay the Project SPV fixed amounts irrespective of whether the asset is in fact utilised. Through this arrangement, the Project SPV is able to derive stable and predictable revenue. The annuity road projects, however, do not allow the Project SPV to benefit from any increase in road traffic volume. In contrast, the revenue from two tollway road projects currently under construction will be dependent on the volume of traffic and the toll levied on each user of the road. The revenue from the tollway road projects is not fixed and, more importantly, correlates to the demand for the services offered by such projects. Except in limited circumstances, the Project SPVs for these projects do, however, bear the risk if demand does not match the assumptions underlying the bid. We expect demand for infrastructure-related services to increase as the Indian economy continues to grow, and we believe that these projects, together with other projects that we may develop in future and for which revenues are not fixed, will help us capture the benefits associated with such growth.

The revenues earned by the Company from the Project SPVs will in the future primarily consist of dividends. Although the annuity road project is operational, and the Project SPV received its first bi-annual annuity payment in October 2006, neither this Project SPV nor any other Project SPV has to date paid any dividend to shareholders which means that, to date, our infrastructure development business has not earned any revenue. As most of our infrastructure development projects are either in the construction or development phase, we do not expect to earn any significant income from this business in the near future.

In addition, the ability of these Project SPVs to make dividend payments to the Company is constrained by corporate laws and regulations as to the payment of dividends and other distributions as well as financial covenants in loan facilities entered into by the Project SPVs.

Accretion/(Decretion) to Work-in-Progress

Work-in-progress represents the value of work done but not yet certified as completed by the client. Work-in-progress is valued at cost and, accordingly, it includes the cost of raw materials, labour and other inputs.

Expenditure

The Company accounts for all expenses incurred for a specific project as an “operating cost” for such project. All expenses which are incurred and not specific to a particular project are accounted for separately as an administrative cost, selling expense or finance expense and are not included in operating expenses. The Company’s total expenditure comprises operating cost, administrative and selling expenses, personnel expenses, and finance expense, and depreciation.

Material Consumed

Material consumption represents the cost of raw materials directly related to or associated with construction and includes construction materials such as steel, cement, plumbing materials, aggregates, electrical items and other materials, net of adjustments of opening and closing stock of raw materials.

Contract, administrative and selling expenses

Contract expenses consist of costs directly related to or associated with construction and include:

- the cost of fuel;
- contract labour charges;
- sub-contractor work bills;
- insurance (such as all risk insurance and workmen’s compensation insurance);
- cost of repairs and maintenance of plant and machinery;

- utility charges and machinery hire charges;
- administrative expenses such as travel expenses, tender and business development expenses, communication expenses, rents and office maintenance costs, rates and taxes, insurance and sales promotion costs; and
- exchange losses due to translation of foreign currency and losses on sale of assets.

Unless the Company obtains an advance from a client, there are typically significant front-end construction expenses when the Company starts construction of a project such as purchase of machinery, erecting temporary constructions, purchase of materials, and mobilising labour.

Personnel expenses

The Company's employees' remuneration and benefit expenses comprise salaries, wages, allowances and bonuses paid to permanent employees of the Company, including those deployed at the Company's unincorporated joint ventures. Only a small number of employees are deployed at these unincorporated joint ventures, mainly in the management of these joint ventures. This line item also includes contribution to employee provident funds, other employee welfare expenses and staff retirement benefits. The Company had 1,075, 372, 148, and 98 employees as of the fiscal years ended March 31, 2007, March 31, 2006, March 31, 2005, and March 31, 2004, respectively. As of June 30, 2007, the Company employed approximately 1,400 employees. The significant increase in the number of employees during the fiscal year ended March 31, 2007 and first quarter of fiscal 2008 was due to mobilisation of a large number of employees to new road and building projects.

Financial Expenses

Financial expenses refer to the interest paid on term loans and working capital facilities obtained from banks and financial institutions, interest on mobilisation advances, and interest payable on vehicle and equipment financings by banks and financial institutions. It also includes bank charges and commissions paid for bank guarantees and letters of credit.

Depreciation

This includes depreciation of building, plant and machinery, furniture, fixtures, vehicles and certain other items used in construction and offices. Depreciation on fixed assets is provided on a straight line basis in the manner and rates prescribed in Schedule XIV to the Companies Act. Wood and steel shuttering equipment are depreciated based on the useful life determined in respect of such equipment.

Taxation

Income taxes are accounted for in accordance with AS-22 issued by the ICAI on "Accounting for Taxes on Income". Taxes comprise current tax, deferred tax and fringe benefit tax.

Provision for current taxes is made at current tax rates after taking into consideration the benefits admissible under the provisions of the Income Tax Act, 1961, as amended (the "I.T. Act"). Fringe benefit tax liability is made in respect of certain expenditure incurred such as travelling, vehicle maintenance, and business promotion expenses as provided under the I.T. Act. For details of the tax benefits available to us, see Annexure XIII to the Financial Statements beginning on page F-25 of this Red Herring Prospectus.

Deferred taxes arise from timing differences between the Company's book profits and its taxable profits that originate during an accounting period and which can be reversed in subsequent periods. Deferred tax assets and liabilities are computed on the timing differences by applying the enacted tax rate.

Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Key Factors Affecting Our Results of Operations

The Company's business, prospects, results of operations and financial condition are affected by a number of factors, including the following key factors:

Government policy and regulation towards infrastructure

We believe the Indian economy will continue to grow over the next few years. The GoI and state governments have linked improved infrastructure in the transportation, energy, urban infrastructure, and industrial and commercial infrastructure sectors as the platform for promoting and sustaining economic growth. We believe that government focus on, and sustained increases in budgetary allocation for, infrastructure, and the development of more structured and comprehensive infrastructure policies that encourage greater private sector participation as well as the greater availability of funding for infrastructure projects from international and multilateral development financial institutions, should result in further, large infrastructure projects in India. As a consequence, we believe our construction business and infrastructure development business are likely beneficiaries of significant investment in infrastructure by governments and, as investment in infrastructure by the private sector gains momentum, by the private sector. As a result, macroeconomic factors in India such as interest rates, government budgetary allocations for infrastructure development, government priorities with respect to infrastructure development, and capital expenditure by the private sector will determine the number and nature of infrastructure projects, which will in turn have a significant impact on our prospects and operating results.

Geographic and client diversification; Aligning our resources and expertise with government budgetary allocations and government priorities with respect to infrastructure development

Our business has benefited from the growth in infrastructure spending by both state governments and the GoI with the result that substantially all of the Company's revenue has historically, and we expect in the short-term and medium-term will continue to be, earned from government entities. Our operating results are therefore tied to our ability to align our resources and expertise with government budgetary allocations and government priorities with respect to infrastructure development. Government budgetary allocations and government priorities, however, change. In the case of irrigation projects, and, to a lesser extent, our road and bridge projects, construction contracts are often politicised as they involve land acquisition. Consequently, a project may be at risk of being derailed or, at the very least, delayed. To make our operating results less susceptible to changes in budgetary allocations or to downturns in available work in a particular sector due to shifts in government policies or priorities, we undertake construction work on a pan-India basis for many different state governments and for GoI entities (such as the NHAI) across different regions and we have also diversified the sectors in which we are active. We expect, as the private sector becomes more active in infrastructure development, particularly in the real estate sector, to also diversify our revenue further. Although not reflected in the Company's results of operations for the fiscal year ended March 31, 2007, the Company's Orderbook as of the date of this Red Herring Prospectus includes construction contracts in the power, oil and gas infrastructure, and railways sectors, in addition to its traditional sectors of irrigation, roads and bridges, and buildings and structures infrastructure sectors. The result of this geographic and client diversification is that our revenues have steadily increased rather than fluctuated from year-to-year.

Increased ticket size of contracts and shorter contract execution time

Over the past two fiscal years, the value, or 'ticket size' of, irrigation and road contracts awarded by government clients has increased. At the same time, government clients have demanded completion of construction projects in shorter time periods. Generally, contract execution time has fallen from three to four years to the current two to three years. We expect both the trend of increased ticket size and shorter execution periods to continue. The impact of these developments on the Company's operating results has been a significant increase in the number of permanent employees and a contribution of revenue earned on a *pro rata* basis on contracts undertaken as partner in unincorporated joint ventures with third parties. We expect that revenue earned from unincorporated joint ventures will increasingly become important to the Company as contract ticket sizes increase. For the fiscal year ended March 31, 2007, the Company earned revenue from eight unincorporated construction business joint ventures and the number of employees increased from 372 employees as of March 31, 2006 to approximately 1,400 employees as of June 30, 2007.

Strong Orderbook and entering into higher margin construction contracts in the power, oil and gas infrastructure, and railway sectors

We believe the Company's strong Orderbook, inclusive of its share of the Orderbook undertaken by its construction business joint ventures, was Rs. 35,893.2 million as of June 30, 2007, will provide revenue growth over the medium term and offsets lower margins on irrigation and road construction contracts that we expect to see as certain aspects of construction work in these sectors are commoditised. Irrigation and road construction contracts are more susceptible to being commoditised than other sectors because of the comparatively low barriers to entry due to lower levels of technical expertise required in the execution of contracts. Although not reflected in the Company's results of operations for the fiscal year ended March 31, 2007, the Company's Orderbook as of the date of this Red Herring Prospectus now also includes higher margin construction contracts in the more profitable power, oil and gas infrastructure, and railway sectors. To improve and maintain margins in the irrigation and road construction contracts, the Company is moving up the value-add chain and bidding for construction work in these sectors that require greater levels of technical expertise. For example, the Company is bidding on lift irrigation projects rather than purely irrigation canal construction contracts and construction of bridges and tunnels rather than purely road highway construction contracts.

Ability to pre-qualify for infrastructure-related contracts and projects and partnering in bids with other companies

Most infrastructure-related contracts and projects are awarded by government entities through a competitive bidding process and satisfaction of other prescribed pre-qualification criteria such as experience in executing large projects, demonstrated engineering capabilities in executing technically complex projects, and sufficient financial resources and/or ability to access financings. For many large construction contracts and infrastructure development projects, the Company may not always meet these pre-qualification criteria in its own right. Thus, a key factor affecting the Company's results of operations is its ability to partner and collaborate with other, often bigger, companies in bids for these large construction contracts and BOT projects. Partnering and collaborating with other companies is important to the Company's results of operations for a number of reasons. First, as the ticket size of contracts increase and contract execution times become shorter, we believe the field of eligible bidders for, and the most likely winners of, high margin, primary contracts awarded by government entities are more likely to be larger more experienced companies or consortia of companies. Thus, the Company is able to participate in high margin construction work by relying on the collective pre-qualification experience of larger companies or consortia of companies. Second, the Company gains experience working on larger, technically more complex contracts and provides it with an opportunity to demonstrate its engineering capabilities across a broader cross-section of work within a specific infrastructure sector as well as in new infrastructure sectors. We believe this will help the Company satisfy pre-qualification experience criteria, make it the partner-of-choice for other companies, and provide it with the flexibility to act quickly and capitalise on new opportunities as and when they arise and government budgetary allocations in new infrastructure sectors are set aside. We believe that partnering with other companies is an industry trend and we expect to see an increase in the number of foreign companies collaborating with Indian companies in bidding for construction contracts and infrastructure development projects in India.

The execution of private sector infrastructure projects also enhances the Company's ability to meet pre-qualification criteria when bidding for government contracts. For example, construction of the Singapore Class township for Maytas Properties, a related party of the Company, helped the Company meet the pre-qualification criteria and win a large defence department housing construction project.

Execution capabilities

Our construction business is affected by our ability to timely mobilise equipment and materials, our management team, and sub-contract labour. The failure to complete construction contracts on time can adversely affect our reputation, increase financing costs, cause the Company's forecasted budget to be exceeded or result in delayed payment to the Company or invoke penalty and liquidated damages clauses.

Both our construction business and infrastructure development business depend on government approvals, licences, clearances and consents, the grant and/or renewal of which will impact our contract execution capabilities.

Ability to attract and retain skilled employees

We believe the construction industry in India is currently experiencing a shortage of skilled engineers. As a consequence, we face competitive pressures in recruiting and retaining engineers as well as other skilled and professionally qualified staff as and when we need them. Our building construction contracts require a substantial number of skilled engineers, coupled with the fact that these projects require higher staffing levels due to the aggressive contract execution time periods demanded by clients. Although the Company is currently paying salaries at market rate, in order to secure an adequate number of skilled personnel, we may in the future need to pay remuneration which is above market rates. This could result in lowering the Company's profit margins.

Seasonality and weather conditions

Due to difficult working conditions and high temperatures during the summer months and monsoon season, we try to maximize construction work during the cooler, dryer periods of the year. Often this means mobilising more equipment and increasing staffing levels on construction projects during these periods. We record revenues on the percentage of completion method determined on the basis of surveys performed. Since revenues are not recognised until there is reasonable progress on a contract, revenues recorded in the first half of the Company's financial year between April and September (that is, the summer months and the monsoon season) are typically substantially lower compared to revenues recorded during the second half of our financial year.

Ability to manage the supply chain and estimate costs accurately for fixed price, lump sum contracts and item-rate contracts

A significant portion of revenue from the construction business is derived from fixed-price contracts. The Company's expense in executing a fixed-price, lump - sum or item-rate contract may vary substantially from the assumptions underlying its bid for several reasons, including unanticipated changes in the engineering design of the project, unanticipated increases in the cost of equipment, material or labour, delays associated with the delivery of equipment and materials to the project site, unforeseen construction conditions, including inability of the client to obtain requisite environmental and other approvals, delays caused by local weather conditions and suppliers' or subcontractors' failure to perform. To mitigate these risks, we may undertake preliminary engineering before bidding, factor in price increases in our bids, procure materials in advance, purchase rather than lease construction equipment, or outsource work rather than undertake it ourselves.

For more information on the factors which have or may affect us, see the sections "Risk Factors", "Industry Overview" and "Business" beginning on pages xiii, 42 and 59, respectively, of this Red Herring Prospectus.

Critical Accounting Policies

The Company's financial statements included in this Red Herring Prospectus have been prepared in accordance with Indian GAAP. The Company's significant accounting policies are set forth in Annexures IV and V to its restated financial information included in the section "Financial Statements" beginning on page F-1 of this Red Herring Prospectus. Preparation of financial statements in accordance with Indian GAAP, the applicable accounting standards issued by the ICAI and the relevant provisions of the Companies Act requires the Company's management to make judgments, estimates and assumptions that it believes are most appropriate in the circumstances for the purpose of giving a true and fair view of the Company's results of operations and an understanding of its financial condition and results of operations. The preparation of the Company's financial statements requires it to often make difficult, complex and subjective judgments in selecting the appropriate estimates and assumptions that affect the amounts reported in its financial statements. By their nature, these judgments are subject to a degree of uncertainty. These judgments are based on the Company's historical experience, terms of existing contracts, and its observance of trends in the industry, information provided by its customers and information available from other third party sources, as appropriate. There can be no assurance that the Company's judgments will prove correct or that actual results reported in future periods will not differ from our expectations reflected in the Company's accounting treatment of certain items.

While all aspects of the Company's financial statements should be read and understood in assessing its current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

Recognition of Contract Revenue and Expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. We recognise revenue as follows:

- revenue from long-term construction contracts (that is, contracts that have execution schedules greater than 12 months) is recognised on the percentage of completion method. Percentage of completion is determined on the basis of surveys performed. However, profit is not recognised unless there is reasonable progress on the contract. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the income statement of the period in which revisions are made. The revenue on account of claims is accounted for based on management's estimate of the probability that such claims would be permitted either wholly or in part.
- interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- dividends are recognised as and when the right to receive payment is established.
- income from currency swaps and other similar instruments are recorded upon settlement or termination of the relevant contracts.
- income from investments made in joint ventures are classified as "jointly controlled entities" in terms of Accounting Standard (AS) – 27 "Financial Reporting of Interest in Joint Ventures" issued by the ICAI and the Company's share in the profits or losses of the respective entities is recognised on an accrual basis.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grants/subsidies if any. Cost comprises the purchase price, freight, duties, taxes and other costs, if any, attributable to bringing the asset to its working condition for its intended use.

Depreciation

Depreciation is charged as follows:

- Depreciation is provided on a straight line method, at the rates specified in Schedule XIV to the Companies Act (except as stated below), which are based on the useful life of the assets as estimated by management.
- Depreciation on the following fixed assets is provided on a straight-line basis at the rates, based on the useful lives as estimated by management, which are higher than the rates specified by Schedule XIV to the Companies Act:

Asset Description	**Depreciation Rate**
Tools and implements	Depreciated fully in the year of purchase
Plant and machinery at construction site	11.3%
Temporary erections in the form of sheds and camps	Depreciated over the construction period of the project

Investments

Investments that are readily realizable securities and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and market value determined on an individual investment basis. Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature.

Accounting for Associates in which the Company has "significant influence"

Investments by the Company in which it has a "significant influence" are accounted for in accordance with the requirements of AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI. The

Company accounts for its investments in its Associates which, with one exception, are the Project SPVs through which the Company carries out its infrastructure development business, using AS-23.

Accounting for Joint Venture Contracts

Investments by the Company that are jointly controlled with other third parties are accounted for in accordance with the requirements of AS-27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI. The Company accounts for its investments in the unincorporated construction business joint ventures using AS-27.

Retirement and other Employee Benefits

The Company's contribution to provident fund is recognised on an accrual basis. Liability for gratuity and leave encashment is provided on the basis of an actuarial valuation carried out at the end of each financial year.

Results of Operations

For the fiscal year ended March 31, 2007, the Company prepared consolidated financial statements for the first time due to the incorporation of two new subsidiaries in the last fiscal quarter of 2007. In accordance with accounting standard "Consolidated Financial Statements" (AS-21) issued by the ICAI, the Company was not required to prepare consolidated financial statements in connection with four earlier subsidiaries, all of which were sold resulting in no capital gain to the Company, because control of these subsidiaries was only intended to be temporary, as that term is interpreted under AS-21. The dissolved four subsidiaries were Maytas Properties Private Limited, Maytas Infrasys Private Limited, Maytas Infratech Private Limited, and Maytas Projects Private Limited, which were incorporated on December 21, 1999, February 18, 2000, February 18, 2000, and October 22, 1999, respectively. With the exception of Maytas Properties Private Limited, the initial capital investment in each subsidiary was Rs. 0.012 million with a subsequent capital investment of Rs. 0.08 million on December 12, 2002 in order to meet minimum capital requirements. In the case of Maytas Properties Private Limited, the initial capital investment was Rs. 0.052 million with a subsequent capital investment of Rs. 0.04 million to meet minimum capital requirements. None of the subsidiaries paid any dividends.

The discussion and financial information in this section and elsewhere in this Red Herring Prospectus is on an unconsolidated, stand-alone basis. We have, however, included the consolidated statements for fiscal year ended March 31, 2007 of this Red Herring Prospectus.

The following table sets forth for the periods indicated, certain items derived from the Company's restated unconsolidated financial statements, in each case stated in absolute terms and as a percentage of total income. Amounts have been rounded to ensure percentages total to 100.0% as appropriate.

	Fiscal 2007		Fiscal 2006		Fiscal 2005		Fiscal 2004	
	Amount (Rs. in millions)	Percentage of Total Income (%)	Amount (Rs. in millions)	Percentage of Total Income (%)	Amount (Rs. in millions)	Percentage of Total Income (%)	Amount (Rs. in millions)	Percentage of Total Income (%)
INCOME								
Contract Revenues	7,876.71		3,883.73		2,886.71		2,037.03	
Less: Company's Share of Turnover in Integrated Joint ventures	1,866.65		1,719.45		818.63		526.54	
	6,010.06	92.7	2,164.28	92.6	2,068.08	79.1	1,510.49	99.4
Other income	39.01	0.6	10.46	0.4	569.28	21.8	26.65	1.8
Accretion/ (Decretion) to WIP	357.67	5.5	57.97	2.5	(11.92)	(0.5)	(22.93)	(1.5)
Company's share in Profit/(Loss) in integrated Joint Ventures	80.07	1.2	103.60	4.4	(10.60)	(0.4)	5.61	0.4
Total	**6,486.81**	**100.0**	**2,336.31**	**100.0**	**2,614.84**	**100.0**	**1,519.82**	**100.0**
EXPENDITURE								
Material Consumed	1,658.69	25.6	352.35	15.1	237.99	9.1	137.06	9.0
Contract, administrative and selling expenses	3,538.18	54.5	1,430.98	61.2	1,589.11	60.8	1,221.35	80.4
Personnel expenses	205.09	3.2	75.42	3.2	38.69	1.5	33.90	2.2
Finance expenses	176.89	2.7	75.98	3.3	26.97	1.0	18.95	1.2
Depreciation	113.10	1.7	46.36	2.0	28.50	1.1	30.54	2.0
Misc. Expenses written off	-	-	-	-	-	-	0.02	0.0
Total	**5,691.95**	**87.7**	**1,981.09**	**84.8**	**1,921.26**	**73.5**	**1,441.82**	**94.9**
Profit before Taxation	**794.86**	**12.3**	**355.22**	**15.2**	**693.58**	**26.5**	**78.00**	**5.1**
Provision for Taxation								
- Current tax	210.00	3.2	(96.14)	(4.1)	(111.26)	(4.3)	(11.19)	(0.7)
- Fringe benefit tax	4.50	0.1	(1.33)	(0.1)	-	-	-	-
- Deferred Tax	30.28	0.5	4.44	0.2	(2.87)	(0.1)	(4.59)	(0.3)
Profit After Tax	**550.08**	**8.5**	**262.19**	**11.2**	**579.45**	**22.2**	**62.22**	**4.1**

Comparison of fiscal 2007 and fiscal 2006

Income

The Company's total income increased by 177.7% to Rs. 6,486.81 million in fiscal 2007 from Rs. 2,336.31 million in fiscal 2006. The increase was primarily due to an increase in contract revenues and other revenue and was partially offset by a decrease in profits from the Company's unincorporated joint ventures.

Contract Revenues

The Company's contract revenues (on an unconsolidated basis) increased by 102.8% to Rs. 7,876.71 million in fiscal 2007 from Rs. 3,883.73 million in fiscal 2006. In fiscal 2007, the Company recognised income from 41 projects and eight unincorporated joint ventures as compared to 29 projects and seven unincorporated joint ventures in fiscal 2006. This resulted in additional income of Rs. 3,992.98 million. Contract revenues (exclusive of the Company's share of turnover in unincorporated joint ventures) increased by 177.7% to Rs. 6,010.06 million in fiscal 2007 from Rs. 2,164.28 million in fiscal 2006.

Other income

Other income increased by 272.9% to Rs. 39.01 million in fiscal 2007 from Rs. 10.46 million in fiscal 2006, primarily due to increase in interest income in fiscal 2007. Interest income increased as a result of interest earned on margin money deposited with banks in connection with bank guarantees granted on behalf of the Company in favour of counterparties to construction contracts.

Accretion/(Decretion) to Work-in-Progress

Accretion to Work-In-Progress increased to Rs. 357.67 million in fiscal 2007 from Rs. 57.97 million in fiscal 2006 because of a larger proportion of uncompleted work which had not been certified as complete as of March 31, 2007 compared to the previous year.

Expenditure

The Company's total expenditure increased by 187.3% to Rs. 5,691.95 million in fiscal 2007 from Rs. 1,981.09 million in fiscal 2006. This was primarily due to an increase in the Company's business volume resulting in a corresponding increase in cost.

Material Consumed

The Company's material consumption increased by 370.8% to Rs. 1,658.69 million in fiscal 2007 from Rs. 352.35 million in fiscal 2006. This increase corresponds to an increase in the number and size of road and building contracts undertaken in fiscal 2007 compared to fiscal 2006. Road and building contracts tend to be more capital intensive than irrigation construction contracts coupled with the fact that in most construction contracts, there are significant up-front costs. As a percentage of total income, the Company's material consumption increased to 25.6% in fiscal 2007 from 15.1% in fiscal 2006.

Contract, administrative and selling expenses

The Company's contract, administrative and selling expenses increased by 147.3% to Rs. 3,538.18 million in fiscal 2007 from Rs. 1,430.98 million in fiscal 2006. The increase was primarily due to corresponding increase in the Company's business volume.

As a percentage of total income, the Company's contract, administrative and selling expenses decreased to 54.5% in fiscal 2007 from 61.2% in fiscal 2006. The decrease was due to increase in total income.

Personnel expenses

The Company's employees' remuneration and benefit expenses increased by 171.9% to Rs. 205.09 million in fiscal 2007 from Rs. 75.42 million in fiscal 2006, primarily due to an increase in the number of employees required for new road and building projects and a commensurate increase in salaries and benefits. The number of employees increased to 1075 in fiscal 2007 from 372 in fiscal 2006. As a percentage of the Company's total income, its employee cost remained almost the same from 3.2% in fiscal 2007 compared to 3.2% in fiscal 2006.

Finance expenses

The Company's interest and financial charges increased by 132.8% to Rs. 176.89 million in fiscal 2007 from Rs. 75.98 million in fiscal 2006. This was primarily due to an increase in the secured and unsecured loans from Rs. 1,065.67 million in fiscal 2006 to Rs. 4,302.86 million in fiscal 2007, which led to higher fees associated with letters of credit and guarantees given by banks, a greater volume of work orders, and an increase in funds for additional equipment purchases. As a percentage of total income, the Company's interest and financial charges decreased to 2.7% in fiscal 2007 from 3.3% in fiscal 2006.

Depreciation

Depreciation increased by 144.0% to Rs. 113.10 million in fiscal 2007 from Rs. 46.36 million in fiscal 2006. The increase was due to the addition of Rs. 955.89 million worth of assets comprising mainly plant and machinery construction equipment in fiscal 2007. Depreciation as a percentage of total income decreased to 1.7% in fiscal 2007 from 2.0% in fiscal 2006 due to an increase in the Company's total income.

Company's share in Profit/(Loss) in integrated Joint Ventures

The Company's profit from joint ventures decreased to Rs. 80.07 million in fiscal 2007 from Rs. 103.60 million in fiscal 2006. This was primarily due to completion of road project and increase in expenditure.

Profit before Taxation

The Company's profit before taxation increased by 123.8% to Rs. 794.86 million in fiscal 2007 from Rs. 355.22 million in fiscal 2006. This was primarily due to the increase in contract revenue from fiscal 2006 to fiscal 2007 from Rs. 2,164.28 million to Rs. 6,010.06 million.

Provision for Taxation

The Company's provision for tax liabilities increased by 163.1% to Rs. 244.78 million in fiscal 2007 from Rs. 93.03 million in fiscal 2006. The primary components of this increase were current tax, fringe benefit tax and provision for deferred tax. The increase in provision for taxation was primarily due to an increase in profit before taxation.

Profit after Tax

The Company's net profit after tax increased by 109.8% to Rs. 550.08 million in fiscal 2007 from Rs. 262.19 million in fiscal 2006. This was primarily due to an increase in total income of Rs. 6,486.81 million and increase in Profit before taxation of Rs. 794.86 million in fiscal 2007. As a percentage of total income, net profit after tax decreased to 8.5% in fiscal 2007 from 11.2% in fiscal 2006. However, net profit after tax has increased from Rs. 262.19 million in fiscal 2006 to Rs. 550.08 million in fiscal 2007. This is primarily due to increase in fringe benefit tax and provision for deferred tax.

Comparison of fiscal 2006 and fiscal 2005

Income

The Company's total income decreased by 10.7% to Rs. 2,336.31 million in fiscal 2006 from Rs. 2,614.84 million in fiscal 2005. The decrease was primarily due to profit realised on the sale of an investment of Rs. 550.19 million in fiscal 2005, which was partially offset by an increase in contract revenues during fiscal 2006.

Contract Revenues

The Company's contract revenues (on an unconsolidated basis) increased by 34.5% to Rs. 3,883.73 million in fiscal 2006 from Rs. 2,886.71 million in fiscal 2005. In fiscal 2006, the Company recognised income from 29 projects and seven unincorporated joint ventures as compared to 22 projects and four unincorporated joint ventures in fiscal 2005. This resulted in additional income of Rs. 997.02 million. Contract revenues (exclusive of the Company's share of turnover in unincorporated joint ventures) increased by 4.7% to Rs. 2,164.28 million in fiscal 2006 from Rs. 2,068.08 million in fiscal 2005.

Other income

Other income decreased to Rs. 10.46 million in fiscal 2006 from Rs. 569.28 million in fiscal 2005, primarily due to profit realised on the sale of an investment of Rs. 550.19 million in fiscal 2005.

Accretion/(Decretion) to Work-in-Progress

Accretion to Work-In-Progress increased to Rs. 57.97 million in fiscal 2006 from a decretion to Work-in-Progress of Rs. 11.92 million in fiscal 2005.

Expenditure

The Company's total expenditure increased by 3.1% to Rs. 1,981.09 million in fiscal 2006 from Rs. 1,921.26 million in fiscal 2005. This was primarily due to an increase in the Company's business volume resulting in a corresponding increase in cost.

Material Consumed

The Company's material consumption increased by 48.0% to Rs. 352.35 million in fiscal 2006 from Rs. 237.99 million in fiscal 2005. This increase corresponds to the increase in the number of roads and building construction contracts currently in progress. As a percentage of total income, the Company's material consumption increased to 15.1% in fiscal 2006 from 9.1% in fiscal 2005.

Contract, administrative and selling expenses

The Company's contract, administrative and selling expenses decreased by 10.0% to Rs. 1,430.98 million in fiscal 2006 from Rs. 1,589.11 million in fiscal 2005. The decrease was primarily due to a change in the composition of work done. The proportion of works executed through sub-contractors was less as compared to the previous year. This was partially offset by an increase in taxes and administrative expenses such as rent, travelling and losses on sale of assets.

As a percentage of total income, the Company's contract, administrative and selling expenses slightly increased to 61.2% in fiscal 2006 from 60.8% in fiscal 2005.

Personnel expenses

The Company's employees' remuneration and benefit expenses increased by 94.9% to Rs. 75.42 million in fiscal 2006 from Rs. 38.69 million in fiscal 2005, primarily due to an increase in the number of employees required for new road and building projects and a commensurate increase in salaries and benefits. The number of employees increased to 372 in fiscal 2006 from 148 in fiscal 2005. As a percentage of the Company's total income, its employee cost increased to 3.2% in fiscal 2006 from 1.5% in fiscal 2005.

Finance expenses

The Company's interest and financial charges increased by 181.7% to Rs. 75.98 million in fiscal 2006 from Rs. 26.97 million in fiscal 2005. This was primarily due to an increase in the secured and unsecured loans from Rs. 549.52 million in fiscal 2005 to Rs. 1,065.67 million in fiscal 2006, higher fees associated with letters of credit and guarantees given by banks, a greater volume of work orders, and an increase in funds for additional equipment purchases. As a percentage of total income, the Company's interest and financial charges increased to 3.3% in fiscal 2006 from 1.0% in fiscal 2005.

Depreciation

Depreciation increased by 62.7% to Rs. 46.36 million in fiscal 2006 from Rs. 28.50 million in fiscal 2005. The increase was due to the addition of Rs. 27.41 million worth of assets in fiscal 2006. Depreciation as a percentage of total income increased to 2.0% in fiscal 2006 from 1.1% in fiscal 2005 due to an increase in the Company's income.

Company's share in Profit/(Loss) in integrated Joint Ventures

The Company's profit from joint ventures increased to Rs. 103.60 million in fiscal 2006 from a loss of Rs. 10.60 million in fiscal 2005. This was primarily due to profit realised from executing a number of irrigation projects as part of a joint venture.

Profit before Taxation

The Company's profit before taxation decreased by 48.8% to Rs. 355.22 million in fiscal 2006 from Rs. 693.58 million in fiscal 2005. This was primarily due to profit realised on the sale of an investment of Rs. 550.19 million in fiscal 2005. However, profit before tax (excluding the profit on sale of investments) increased from Rs. 143.39 million in fiscal 2005 to Rs. 355.22 million in fiscal 2006.

Provision for Taxation

The Company's provision for tax liabilities decreased by 18.5% to Rs. 93.03 million in fiscal 2006 from Rs. 114.13 million in fiscal 2005. The primary components of this decrease were a decrease in the Company's current tax liability to Rs. 96.14 million in fiscal 2006 from Rs. 111.26 million in fiscal 2005. The current tax liability for fiscal 2005 consists of tax on sale of investments.

Profit after Tax

The Company's net profit after tax decreased by 54.8% to Rs. 262.19 million in fiscal 2006 from Rs. 579.45 million in fiscal 2005. This was mainly due to profit realised on the sale of an investment of Rs. 550.19 million in fiscal 2005. As a percentage of total income, net profit after tax decreased to 11.2% in fiscal 2006 from 22.2% in fiscal 2005. However, net profit after tax (excluding the profit on sale of investments) has increased from Rs. 82.53 million in fiscal 2005 to Rs. 262.19 million in fiscal 2006.

Comparison of fiscal 2005 and 2004

Income

The Company's total income increased by 72.0% to Rs. 2,614.84 million in fiscal 2005 from Rs. 1,519.82 million in fiscal 2004. This was primarily due to an increase in the Company's contract revenues and other revenues from profit realised on the sale of an investment of Rs. 550.19 million in fiscal 2005.

Contract Revenues

The Company's contract revenues increased by 41.7% to Rs. 2,886.71 million in fiscal 2005 from Rs. 2,037.03 million in fiscal 2004 as the Company was able to recognise more income under the percentage of completion method on its on-going projects. In fiscal 2005, the Company recognised income from 22 projects and four unincorporated joint ventures compared to 25 projects and four unincorporated joint ventures in fiscal 2004. The additional income of Rs. 849.67 million resulted from an increase in turnover from road projects and projects executed by one of the Company's unincorporated joint ventures with a third party. Contract revenue (excluding contributions from unincorporated joint ventures) increased by 36.9% to Rs. 2,068.08 million in fiscal 2005 from Rs. 1,510.49 million in fiscal 2004.

Other income

Other revenues increased to Rs. 569.28 million in fiscal 2005 from Rs. 26.65 million in fiscal 2004, primarily due to profit realised on the sale of an investment of Rs. 550.19 million in fiscal 2005.

Accretion/(Decretion) to Work-in-Progress

Decretion to Work-in-Progress decreased to Rs. 11.92 million in fiscal 2005 from Rs. 22.93 million in fiscal 2004.

Expenditure

The Company's total expenditure increased by 33.3% to Rs. 1,921.26 million in fiscal 2005 from Rs. 1,441.82 million in fiscal 2004. This was primarily due to a corresponding increase in the Company's revenues.

Material Consumed

The Company's material consumption increased by 73.6% to Rs. 237.99 million in fiscal 2005 from Rs. 137.06 million in fiscal 2004. This increase corresponds to the increase in the contract revenues. As a percentage of total income, the Company's material consumption increased to 9.1% in fiscal 2005 from 9.0% in fiscal 2004. Increase in material expenses was due to a larger number of road contracts being executed during the period.

Contract, administrative and selling expenses

The Company's contract, administrative and selling expenses increased by 30.1% to Rs. 1,589.11 million in fiscal 2005 from Rs. 1,221.35 million in fiscal 2004. This was primarily due to an increase in contract expenses as a result of more irrigation works being sub-contracted. As a percentage of total income, the Company's contract expenses decreased to 60.8% in fiscal 2005 from 80.4% in fiscal 2004.

Personnel expenses

The Company's employees' remuneration and benefits expenses increased by 14.1% to Rs. 38.69 million in fiscal 2005 from Rs. 33.90 million in fiscal 2004, primarily due to an increase in the number of employees to 148 in fiscal 2005 from 98 in fiscal 2004. As a percentage of the Company's total income, its employee cost decreased to 1.5% in fiscal 2005 from 2.2% in fiscal 2004.

Finance expenses

The Company's interest and financial charges increased by 42.3% to Rs. 26.97 million in fiscal 2005 from Rs. 18.95 million in fiscal 2004. This was primarily due to an increase in the level of working capital borrowings from Rs. 301.50 million in fiscal 2004 to Rs. 549.52 million in fiscal 2005, higher fees associated with letters of credit and guarantees given by banks, a greater volume of work orders and an increase in funds for additional equipment purchases. As a percentage of total income, the Company's interest and financial charges decreased to 1.0% in fiscal 2005 from 1.2% in fiscal 2004.

Depreciation

Depreciation decreased by 6.7% to Rs. 28.50 million in fiscal 2005 from Rs. 30.54 million in fiscal 2004. The decrease was due to the sale of assets during the fiscal year 2004.

Depreciation as a percentage of total income decreased to 1.1% in fiscal 2005 from 2.0% in fiscal 2004 due to an increase in the Company's total income.

Company's share in Profit/(Loss) in integrated Joint Ventures

The Company's loss from joint ventures was Rs. 10.60 million in fiscal 2005 compared to a profit of Rs. 5.61 million in fiscal 2004. This was primarily due to a loss from the Himachal joint venture, an unincorporated joint venture among NCC, Sri Shankaranarayana Construction Company and the Company (which was in the initial stages of execution) and the IJM SCL joint venture (which was in the maintenance period). The loss was partially offset by profit realised from projects executed by the Company in another joint venture with a third party.

Profit before Taxation

The Company's profit before taxation increased by 789.2% to Rs. 693.58 million in fiscal 2005 from Rs. 78.00 million in fiscal 2004. This was primarily due to profit realised on the sale of an investment of Rs. 550.19 million in fiscal 2005. The Company's profit before tax as a percentage of total income increased to 26.5% in fiscal 2005 from 5.1% in fiscal 2004. However, profit before tax (excluding the profit on sale of investments) increased by 83.8% from Rs. 78.0 million in fiscal 2004 to Rs. 143.39 million in fiscal 2005.

Provision for Taxation

The Company's provision for tax liabilities increased by 623.3% to Rs. 114.13 million in fiscal 2005 from Rs. 15.78 million in fiscal 2004 primarily as a result of an increase in the Company's current tax liability which is in line with an increase in its profit before tax and tax resulting from the profit earned on sale of investments.

Profit after Tax

The Company's net profit after tax increased by 831.3% to Rs. 579.45 million in fiscal 2005 from Rs. 62.22 million in fiscal 2004. As a percentage of total income, the net profit increased to 22.2% in fiscal 2005 from 4.1% in fiscal 2004. However, profit after tax (excluding the profit on sale of investments) increased by 32.6% from Rs. 62.22 million in fiscal 2004 to Rs. 82.53 million in fiscal 2005.

Effect of Restatement

The Company's restated unconsolidated financial information for fiscal 2007, 2006, 2005, 2004, 2003, and 2002 has been presented in compliance with paragraph B(1) of Part II of Schedule II to the Companies Act, Indian GAAP and the SEBI guidelines. The effect of such restatement is that the Company's financial statements included in this Red Herring Prospectus have been restated to conform to methods used in preparing the Company's latest financial statements, as well as to conform to any changes in accounting policies and estimates. The principal adjustments to the Company's financial statements, including on account of changes in accounting policies and estimates, are described below:

The explanatory notes for these adjustments are discussed below:

SUMMARY STATEMENT OF ADJUSTMENTS

(Rs. in millions)

	March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003	March 31, 2002
Profit as per Audited Financials	531.20	224.62	568.08	34.44	21.10	40.64
Adjustments:						
Provision for Leave Encashment and Gratuity	2.55	(0.63)	(0.52)	(0.27)	(0.11)	(1.02)
Prior Period Items	-	-	0.24	0.11	(0.20)	0.09
Profit/(Loss) from Joint Venture Operations	3.91	6.02	(1.93)	0.21	(8.21)	-
Investments written off adjusted in 2001-02	-	-	-	30.72	-	(30.72)
Sub-Total	**537.66**	**230.01**	**565.87**	**65.21**	**12.58**	**8.99**
Prior Period Taxation Impact	1.21	28.67	16.45	1.59	(2.14)	(24.46)
Deferred Tax Impact	11.21	3.51	(2.87)	(4.58)	(7.27)	-
Profit as per Restatement	550.08	262.19	579.45	62.22	3.17	(15.47)

Changes in Accounting Policies

Provision for Retirement Benefits

For the fiscal year ended March 31, 2007 the Company has, for the first time, accounted for retirement benefits on the basis of actuarial valuation of those benefits as required by accounting standard 15 (AS-15), "Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the ICAI. Consequently for the purpose of this statement the charge to the profit and loss account and the carrying value of the Liability towards the retirement benefits has been restated for each of the years/ periods presented on the basis of such actuarial valuation.

Prior Period Items

Certain items, identified and disclosed as prior period items in the audited financial statements of each of the years/periods presented, have, for the purpose of this statement, been restated to the extent identified, in the respective years/ periods in which such adjustments arose.

Income tax

The profit and loss accounts for two years include amounts provided for in respect of shortfall of income tax arising out of assessments, appeals which have now been adjusted in the respective years. Further, current tax and deferred tax has been computed based on adjustments made as described above and has been adjusted in the restated profits and losses for fiscal 2006, 2005, 2004, 2003, 2002 and the balance of the year brought forward in the profit and loss account as of April 1, 2001.

Deferred tax

The Company adopted Accounting Standard 22 (AS-22) "– Accounting for taxes on Income" as issued by the ICAI for the first time in preparing the financial statements for fiscal 2003. AS-22 has not been applied for fiscal 2002 and 2001 as the same was not applicable in those years. Deferred tax liability/ (asset) for fiscal 2004, 2005 and 2006 has been restated to give effect to changes relating to measurement differences.

Joint venture operations

The audited financial statements for the fiscal 2003 did not include the share of profit/loss from one of the joint venture operations as the information was not available on the date the financial statements were adopted. The same had been recognised in the subsequent fiscal 2004. Similarly, for the fiscal 2004 and 2005, the share of profit/loss from the aforesaid joint venture operations had been recognised in the year subsequent to the financial years to which they are related. For the purpose of this statement the said profits/losses have been restated on the basis of the audited financial statements of the joint venture in the respective financial years. Further, the audited financial statements for the fiscal 2006 did not include the share of profit/loss from the aforesaid joint venture which is now recognised for the purpose of this statement.

Liquidity and Capital Resources

The Company operates in a capital intensive industry and its principal liquidity requirements have been to finance its working capital needs and its capital expenditures. Our construction 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. The Company funds these costs and equipment purchases from its equity, internal accounts, advances from clients, and external borrowings.

The Company currently finances its investments in Project SPVs through equity contributions generated from internal sources. We intend to use a portion of the proceeds from the Issue as an equity contribution in three Project SPVs, namely Bangalore Elevated Tollway, KVK Nilachal Power and SV Power. See the section "Objects of the Issue" beginning on page 29 of this Red Herring Prospectus.

Our investments in Project SPVs as of March 31, 2007 were as follows:

(Rs. in millions)

	Investment as of March 31, 2007
Brindavan Infrastructure Company Limited	150.0
Western UP Tollway Limited	231.22
Himachal Sorang Power Private Limited	61.71
Bangalore Elevated Tollway Limited	298.29
SV Power Private Limited	2.50
KVK Nilachal Power Private Limited	45.67
Gautami Power Limited	744.87
Total	**1,534.26**

As of March 31, 2007, only the annuity road project developed by Brindavan Infrastructure is operational. As of March 31, 2007, the Company's pro-rata share of the total assets of Brindavan Infrastructure was Rs. 818.17 million. See the section "History and Certain Corporate Matters" beginning on page 116 of this Red Herring Prospectus.

The Company's funding and treasury activities are conducted consistent with corporate policies designed to enhance investment returns while maintaining appropriate liquidity for the Company's requirements. The Company currently holds its cash and cash equivalents in Rupees.

The Company's short-term liquidity requirements relate to servicing its debt and funding working capital requirements. Sources of short-term liquidity include cash balances, receipts from the Company's operations and working capital loans.

The Company's long-term liquidity requirements include partial funding of investments in new projects, funding equity contributions in Project SPVs and repayment of long-term debt under the Company's credit facilities. Sources of funding for the Company's long-term liquidity requirements include new loans, equity or debt issues.

As of March 31, 2007, the Company had cash and cash equivalents of Rs. 548.10 million which is inclusive of margin money deposits. To date, the Company has funded its growth principally from internal cash flow and other funds, affiliate loans, bank borrowings, and advances from clients. The Company's principal uses of cash have been, and are expected to continue to be, construction and development and implementation costs of its projects.

Cash Flows

The table below summarises the Company's unconsolidated cash flows as restated for the periods presented:

(Rs. in millions)

	Fiscal 2007	**Fiscal 2006**	**Fiscal 2005**	**Fiscal 2004**
Net cash provided by/(used in) operating activities	(650.14)	121.41	(393.29)	203.19
Net cash provided by/(used in) investing activities	(2,054.99)	(542.18)	197.19	(127.98)
Net cash provided by/(used in) financing activities	3,037.83	455.31	225.74	(37.80)
Net increase/(decrease) in cash and cash equivalents	332.70	34.54	29.64	37.41

Cash Flows from Operating Activities

The Company's investment in inventory and current assets amount to, on average, approximately six months of its total income. The Company had a compound annual growth rate of 56.9% in respect of its contract revenues over the last four fiscal years. The increase in the Company's current assets is mainly in the categories of sundry debtors and inventory (which includes unbilled revenues). The increase in the Company's operations is reflected in the negative cash flow arising from its operating activities during the year ended March 31, 2007.

The Company's net cash from operating activities in the year ended March 31, 2007 was a loss of Rs. 650.14 million, although its profit before taxes for such period was Rs. 794.86 million. The difference was primarily attributable to an increase in inventories of Rs. 772.11 million, sundry debtors of Rs. 1,483.59 million, loans and advances of Rs. 548.41 million which were partially offset by an increase in the current liabilities by Rs. 1,411.82 million. The increase in sundry debtors for fiscal 2007 is mainly attributable to a related increase in contract revenues and an increase in retention money compared to fiscal 2006.

The Company's net cash from operating activities in fiscal 2006 was Rs. 121.41 million. The Company's profit before taxes for this period was Rs. 355.22 million. The difference was attributable to an increase in loans and advances of Rs. 165.03 million, an increase in inventories of Rs. 21.02 million, and sundry debtors of Rs. 216.58 million which was partially offset by an increase in sundry creditors of Rs. 191.89 million.

The Company's net cash from operating activities in fiscal 2005 was a loss of Rs. 393.29 million, although its profit before taxes for such period was Rs. 693.58 million. The difference was attributable to an increase in sundry debtors of Rs. 205.06 million, an increase in inventories of Rs. 10.77 million, and an increase in loans and advances of Rs. 327.72 million which was partially offset by an increase in sundry creditors of Rs. 14.10 million.

The Company's net cash from operating activities in fiscal 2004 was Rs. 203.19 million. The Company's profit before taxes for such period was Rs. 78.0 million. The difference was attributable to a decrease in loans and advances of Rs. 206.41 million and in inventories of Rs. 17.74 million which was partially offset by an increase in sundry debtors of Rs. 80.54 million and a decrease in sundry creditors of Rs. 37.80 million.

Cash Flows from Investing Activities

The Company's cash flow from or used in investment activities represents purchase of fixed assets comprising plant and equipment used in its construction business and purchase of investments, offset in each fiscal year by minor disposal of fixed assets, sales of investments, dividends received and interest received.

The Company's expenditure for investing activities primarily relates to purchase of fixed assets comprising mainly plant and machinery used in its construction business and investment in equity/share application money for the Project SPVs, which may be offset in each fiscal year by minor disposal of fixed assets, disposal of investments and interest and other receipts. The Company's total investment (including share application money) in Project SPVs comprising Brindavan Infrastructure, Western UP Tollway, Bangalore Elevated Tollway, KVK Nilachal Power, SV Power, Himachal Sorang Power and Gautami Power as of March 31, 2007 was Rs. 1,534.26 million.

The Company had a negative cash flow from investment activities of Rs. 2,054.99 million during year ended March 31, 2007 mainly due to investment in fixed assets.

The Company had a negative cash flow from investment activities of Rs. 542.18 million in fiscal 2006 from a cash flow from investment activities of Rs. 197.19 million in fiscal 2005 primarily due to acquisition of fixed assets and investments which was partially offset by the sale of fixed assets and investments.

The Company's cash flow from investment activities increased to Rs. 197.19 million in fiscal 2005 from a negative cash flow used in investment activities of Rs. 127.98 million in fiscal 2004, primarily due to sale of investments and assets which was partially set off by purchase of fixed assets.

Cash Flows from Financing Activities

The Company's cash flow from or used in its financing activities is determined primarily by the level of its borrowings, the schedule of principal and interest payments on borrowings, and payment of dividends.

For the fiscal year ended March 31, 2007 the Company's cash flow from financing activities increased to Rs. 3,037.83 million as compared to Rs. 455.31 million in fiscal 2006, primarily due to an increase in working capital loans, term loans for purchase of machinery, increases in interest on such working capital and term loans, and mobilisation advances received from clients. As of March 31, 2007, the Company had total outstanding secured and unsecured loans of Rs. 4,302.86 million compared to Rs. 1,065.67 million as of March 31, 2006. The increase in secured and unsecured loans was as a result of an increase in the volume of business and a consequent higher working capital requirement, mobilisation of advances and equipment purchases.

The Company's cash flow from financing activities increased to Rs. 455.31 million in fiscal 2006 as compared to Rs. 225.74 million in fiscal 2005, primarily as a result of a net increase in secured and unsecured loans of Rs. 268.14 million.

The Company's cash flow from financing activities increased to Rs. 225.74 million in fiscal 2005 from a loss of Rs. 37.80 million in fiscal 2004 due to increase in secured loans which was partially offset by repayment of term loans.

Capital Expenditure

The Company's purchase of fixed assets for fiscal 2007, 2006, 2005 and 2004 was approximately Rs. 1,254.46 million, Rs. 301.20 million, Rs. 86.11 million and Rs. 29.05 million, respectively, and consisted primarily of purchase of plant and machinery used in the Company's construction business.

The Company anticipates that its capital expenditures in the next 12 months will increase significantly due to its commitment to develop and fund new projects.

As of fiscal year ended March 31, 2007, the Company's cash and cash equivalents were Rs. 548.10 million, denominated principally in Rupees. The Company has in the past relied principally on internal cash flow and other funds, affiliate loans, bank borrowings and advances from clients. We expect that, going forward, the Company will finance execution of construction contracts with a combination of bank borrowings and operating cash flows. However, we cannot assure you that our construction business will not change in a manner that would consume our available capital resources more rapidly than anticipated, particularly as we continue to evaluate other construction projects. Taking into account available bank facilities and net operating cash flows, we believe the Company has sufficient working capital for its requirements for the next 12 months to finance execution of construction contracts.

Indebtedness

As of fiscal year ended March 31, 2007 the Company had outstanding secured loans of Rs. 2,553.62 million and unsecured loans of Rs. 1,749.24 million. Many of the Company's financing arrangements are secured by a charge on current assets and fixed assets comprising plant and machinery. The Company's sundry debtors and inventories are subject to charges created in favour of specific secured lenders. The increase in loans of Rs. 758.02 million as of March 31, 2007 as compared to March 31, 2006 is mainly attributable to an increase in advances of Rs. 373.07 million to subcontractors and others for up-front mobilization, machinery and other expenses. The increase in advances is related to the increase in the number and size of projects undertaken during fiscal 2007. In addition, in fiscal 2007 the Company made capital contributions in an aggregate amount of Rs. 165.39 million to Associates and Rs. 198.82 million for Tax Deducted at Source relating to income tax and sales tax.

The Company's financing agreements include covenants that require it to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Specifically, the Company must seek and obtain, lender consent to amend its Memorandum and Articles of Association, change its capital structure, change its management structure, declare dividends, create additional charges on or further encumber its assets, open a bank account with a bank other than the lender, create a subsidiary, remove personnel with substantial management powers or merge with or acquire other companies, whether or not there is any failure by the Company to comply with the other terms of such agreements. Under certain financing agreements, the Company is also required to obtain the consent of the relevant lender to appoint a director to the Company's Board.

We believe that the Company's relationships with its lenders are good. Compliance with the various terms of the Company's loans is, however, subject to interpretation, and we cannot assure you that we have requested or received all consents from our lenders that are required by our financing documents. As a result, it is possible that a lender could assert that we have not complied with all the terms under the Company's existing financing documents.

Any failure to service the Company's indebtedness, comply with a requirement to obtain a consent or perform any condition or covenant could lead to a termination of one or more of the Company's credit facilities, acceleration of all amounts due under such facilities, any of which may adversely affect its ability to conduct its business and have a material adverse effect on its financial condition and results of operations.

Contractual Obligations and Commitments

The following table summarises the Company's contractual obligations and commitments to make future payments as of March 31, 2007 on an unconsolidated basis:

(Rs. in millions)

	As of March 31, 2007 Payment Due by Period				
	Total	Less than 1 year	1-3 years	3 -5 years	More than 5 years
Long term debt	896.25	275.03	396.31	224.91	
Working capital loan	718.45	718.45	-	-	-
Cash Credit	938.92	-	-	-	-
Commitments (including capital commitments)					
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	348.12	348.12	-	-	-
Outstanding Bank Guarantees	1,758.80	-	-	-	-
Guarantees issued by bankers, financial institutions on behalf of the Company toward performance obligations	1,601.00	-	-	-	-
Total Contractual Obligations	**6,261.54**	**1,341.60**	**396.31**	**224.91**	**-**

The guarantee issued by bankers, financial institutions on behalf of the Company toward performance obligations in an amount of Rs. 1,601.0 million is for performance bonds given in the construction business. These performance bonds will be returned to the Company after the end of the defects liability period, typically one to two years after the completion certificate is issued by the client.

Except as disclosed above and under the section “Related Party Transactions,” beginning on page 211 of this Red Herring Prospectus, there are no other off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company’s financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Contingent Liabilities and other Off-Balance Sheet Arrangements

The Company’s off-balance sheet liabilities consist primarily of performance guarantees given to governmental authorities in connection with execution of work under construction contracts. As of fiscal year end 2007, 2006 and 2005, the Company had contingent liabilities in the following amounts, as disclosed in its restated unconsolidated financial statements:

(Rs. in millions)

	As at March 31,		
	2007	2006	2005
Recovery from escalation bills on labour component. Claims against the Company not acknowledged as debts	14.20	-	-
Direct and Indirect Taxes	95.75	64.24	25.1
Corporate guarantee given on behalf of Associates	100.00	100.00	100.0
Outstanding letter of credit	281.56	-	-
Total	**491.51**	**164.24**	**125.1**

Under Indian GAAP, the Company is not required to provide contingent liabilities for any limited recourse obligations, other than guarantee referred to in the above table, owed by the Company to any of its Associates. A provision for liquidated damages is only recorded as a contingent liability when we receive a payment claim for liquidated damages from a client.

Retention money retained by clients generally range up to 5% of the contract value and can be withdrawn against provision of a bank guarantee in line with the terms of the contract.

Transactions with Associates and Related Parties

From time to time, we enter into transactions with companies which are controlled by members of the Company's Promoter Group and other related parties in the ordinary course of our business. As of March 31, 2007, the Company's balances involving transactions with related parties included Rs. 1,975.42 million in advances to various Associates. For details regarding our related party transactions, see the section "Financial Statements — Related Party Transactions" beginning on page F-73 of this Red Herring Prospectus.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rates. We are exposed to various types of market risks in the normal course of business. For instance, we are exposed to market interest rates and exchange rate movements on foreign currency denominated borrowings and operating expenses. The Company has from time to time entered into derivative transactions for the purpose of minimising its exposure to interest rate and foreign exchange risks. The following discussion and analysis, which constitute "forward-looking statements" summarises exposure of the Company to various market risks.

Credit Risk

In our construction business, the Company currently derives most of its operating revenue from contracts with government entities as the counter-party. Currently payments by such entities are not secured by any form of credit support such as letters of credit, performance guarantees or escrow arrangements.

Interest Rate Risk

The Company's net profit is affected by changes in interest rates which impact interest income and interest expense from short-term deposits and other interest-bearing financial assets and liabilities. In addition, an increase in interest rate may adversely affect the Company's ability to service long-term debt and to finance development of new projects, all of which may in turn adversely affect the Company's results of operations.

The Company has fixed and floating rate debt. The floating rate debt exposes the Company to market risk as a result of changes in interest rates and, as of fiscal year ended March 31, 2007 Rs. 1,602.99 million, or 37.3% of the Company's total debt, was subject to variable rates. We undertake debt obligations to support capital expenditures, working capital, and general corporate purposes. Upward fluctuations in interest rates increase the cost of new debt and interest cost of outstanding variable rate borrowings. The Company does not currently use any derivative instruments to modify the nature of its debt so as to manage interest rate risk.

Commodity Price Risk

The Company is exposed to upward fluctuations in the price and availability of the primary raw materials it requires for implementation of its projects, such as steel and cement. While some of the contracts the Company enters into contain price escalation provisions, allowing for an adjustment to the contract value in the event of any increase in the prices of raw materials, adjustments to the contract price may not adequately cover the entire increase in raw material prices. The Company does not currently use any derivative instruments, or enter into any other hedging arrangements so as to manage its exposure to price increases in raw materials.

Foreign Currency Exchange Rate Risk

The Company is not exposed to any foreign exchange rate risk as all its foreign currency borrowings are fully hedged. Foreign exchange borrowings are predominantly in connection with machinery purchase.

Effect of New Accounting Pronouncements

Known Trends or Uncertainties

Other than as described in this Red Herring Prospectus, particularly in the sections “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page xiii and 213, respectively, of this Red Herring Prospectus, to our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on the Company’s income from continuing operations.

Unusual or Infrequent Events or Transactions

Except in connection with the profit realised on the sale of an investment of Rs. 550.19 million and as otherwise described in this Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as “unusual” or “infrequent”.

Seasonality of Business

Our operations may be adversely affected by difficult working conditions during the summer months and during monsoon season that restrict our ability to carry on construction activities and fully utilise our resources. Nevertheless, we do not believe that our business is seasonal.

Competitive Conditions

We expect competition in the construction and infrastructure development industry from existing and potential competitors to intensify. For further details regarding our competitive conditions and our main competitors, see the sections “Risk Factors” and “Business” beginning on pages xiii and 59, respectively, of this Red Herring Prospectus.

Significant Developments after March 31, 2007 that may affect our future Results of Operations

In compliance with AS-4 “Contingencies and Events Occurring after the Balance Sheet Date” issued by ICAI, to our knowledge, no circumstances other than as disclosed in this Red Herring Prospectus have arisen since the date of the last financial statements contained in this Red Herring Prospectus which materially and adversely affect or are likely to affect, the operations or profitability of the Company, or the value of its assets or its ability to pay its material liabilities within the next 12 months.

Future Relationship between Costs and Income

Other than as described in the sections “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages xiii and 213, respectively, of this Red Herring Prospectus, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

For details, see the sections “Risk Factors” and “Business” beginning on pages xiii and 59, respectively, of this Red Herring Prospectus.

SUMMARY OF SIGNIFICANT DIFFERENCES AMONG INDIAN GAAP, U.S. GAAP AND IFRS

Our financial statements are prepared in conformity with Indian GAAP, which differs in certain significant respects from U.S. GAAP and IFRS. Such differences involve methods for measuring the amounts shown in the financial statements of the Issuer, as well as additional disclosures required by U.S. GAAP and IFRS, which we have not made.

The following is a general summary of certain significant differences between Indian GAAP, U.S. GAAP and IFRS.

The differences identified below are limited to those significant differences that are appropriate to our financial statements. However, they should not be construed as exhaustive as no attempt has been made by our management to quantify the effects of those differences, nor has a complete reconciliation of Indian GAAP to U.S. GAAP or Indian GAAP to IFRS been undertaken by our management. Had any such quantification or reconciliation been undertaken by our management, other potential significant accounting and disclosure differences may have come to its attention, which are not identified below. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions and events are presented in the financial statements and the notes thereto.

We have not prepared financial statements in accordance with U.S. GAAP or IFRS. Therefore, the Company cannot presently estimate the net effect of applying U.S. GAAP or IFRS on its results of operations or financial position.

Further, no attempt has been made to identify future differences between Indian GAAP, U.S. GAAP and IFRS as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate Indian GAAP, U.S. GAAP and IFRS have significant projects ongoing that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between Indian GAAP, U.S. GAAP and IFRS that may affect the financial information as a result of transactions or events that may occur in the future.

Potential investors should consult their own potential advisors for an understanding of the principal differences between Indian GAAP, U.S. GAAP and IFRS and how these differences might affect the financial statements appearing in the section "Financial Statements" beginning on page F-1 of this Red Herring Prospectus.

S. No.	Particulars	Indian GAAP	U.S. GAAP	IFRS
1.	Contents of financial statements	Balance sheet, profit and loss account, cash flow statement, accounting policies and notes are presented for the current year, with comparatives for the previous year.	Comparative two years' balance sheets, income statements, cash flow statements, changes in shareholders' equity and accounting policies and notes. Three years are required for public companies for all statements except balance sheet where two years are provided.	Comparative two years' balance sheets, income statements, cash flow statements, changes in shareholders' equity and accounting policies and notes.
2.	First time adoption	First-time adoption of Indian GAAP requires retrospective application. In addition, particular standards specify treatment for first-time adoption of those standards.	Similar to Indian GAAP	Full retrospective application of all IFRSs effective at the reporting date for an entity's first IFRS financial statements, with some optional exemptions and limited mandatory exceptions.

S. No.	Particulars	Indian GAAP	U.S. GAAP	IFRS
3.	Changes in accounting policies	Include effect in the income statement for the period in which the change is made except as specified in certain standards (transitional provision) where the change during the transition period resulting from adoption of the standard has to be adjusted against opening retained earnings and the impact needs to be disclosed.	Generally include effect in the current year income statement through the recognition of a cumulative effect adjustment. Disclose pro forma comparatives. Retrospective adjustments for specific items. Recent amendment requires restatement of comparatives and prior year opening retained earnings. The new amendment is applicable to accounting changes that are made in fiscal years beginning after 15 December 2005.	Restate comparatives and prior year opening retained earnings.
4.	Revenue	Revenue is recorded on the basis of services rendered.	Similar to Indian GAAP. However, extensive guidance is there for accounting of specific transactions	Similar to Indian GAAP. However, extensive guidance is there for accounting of specific transactions
5.	Consolidation of Variable interest entities	There is no specific guidance with respect to Variable Interest Entities.	Entities are required to evaluate if they have any interest in Variable Interest Entities, as defined by GAAP Consolidation of such entities may be required if certain conditions are met.	SIC 12 states that a special purpose entity (SPE) should be consolidated when the substance of the relationship between an entity and the SPE indicates that the SPE is controlled by that entity.
6.	Intangible assets	Intangible assets are capitalised if specific criteria are met and are amortised over their useful life, generally not exceeding 10 years. The recoverable amount of an intangible asset that is not available for use or is being amortised over a period exceeding 10 years should be reviewed at least at each financial	When allocating purchase price of a business combination, companies need to identify and allocate such purchase price to intangible assets, based on specific criteria. Intangibles that have an indefinite useful life are required to be tested, at least annually, for impairment. Intangible	Intangible assets are recognised if the specific criteria are met. Assets with a finite useful life are amortised on a systematic basis over their useful life. An asset with an indefinite useful life and which is not yet available for use should be tested for impairment annually.

S. No.	Particulars	Indian GAAP	U.S. GAAP	IFRS
		yearend even if there is no indication that the asset is impaired.	assets that have finite useful life are required to be amortised over their estimated useful lives.	
7.	Segment Information	Segmental disclosures are required to be given by all public companies (listed or in the process of getting listed), banks, financial institutions, entities carrying on insurance business and enterprises having turnover above Rs. 50 crores or borrowings above Rs. 10 crores. Specific requirements govern the format and content of a reportable segment and the basis of identification of a reportable segment. Both business and geographical segments are identified and either of the two is classified as primary segment (with the other one being classified as the secondary segment).	Segmental disclosures are required to be made by all public business enterprises. A Company is required to report information about its products and services, the geographical areas in which it operates and its major customers. Reportable business segments are required to be identified based on specified criteria. Disclosures are required for both Business and geographic segments.	Segmental disclosures are required to be given by entities whose equity or debt securities are publicly traded or those entities that are in the process of issuing such publicly traded equity or debt securities. Both business and geographical segments are identified and either of the two is classified as primary segment (with the other one being classified as the secondary segment). IAS 14 prescribes detailed disclosures for primary segment and relatively lesser disclosure for secondary segments.
8.	Dividends	Dividends are reflected in the financial statements of the year to which they relate even if proposed or approved after the year end.	Dividends are accounted for when approved by the board/shareholders. If the approval is after year end, the dividend is not considered to be a subsequent event that needs to be reflected in the financial statements.	Dividends to holders of equity instruments, when proposed or declared after the balance sheet date, should not be recognised as a liability on the balance sheet date. The Company however is required to disclose the amount of dividends that were proposed or declared after the balance sheet date but before the financial statements were authorised for issue.
9.	Property, Plant and Equipment	Fixed assets are recorded at the historical costs or revalued amounts. Depreciation is recorded	Revaluation of fixed assets is not permitted under U.S. GAAP. All foreign exchange gains	Fixed assets are recorded at cost or revalued amounts. If arried at revalued amount, cassets should be frequently

S. No.	Particulars	Indian GAAP	U.S. GAAP	IFRS
		over the asset's useful life. Schedule XIV of the Companies Act prescribes minimum rates of depreciation and typically companies use these as the basis for useful life. Interest cost on specified or identifiable borrowings is capitalised to qualifying assets during its construction period.	or losses relating to the payables for the procurement of property, plant and equipment are recorded in the income statement. Depreciation is recorded over the asset's estimated useful life which maybe different from the useful life based on Schedule XIV. An entity must capitalise borrowing costs attributable to the acquisition, construction or production of a qualifying asset.	revalued to match their carrying amount with their fair values. Foreign exchange gains or losses relating to the procurement of property, plant and equipment, under very restrictive conditions, can be capitalised as part of the asset.Depreciation is recorded over the asset's estimated useful life. The residual value and the useful life of an asset and the depreciation method shall be reviewed at least at each financial year end. An entity has the option of capitalising borrowing costs incurred during the period that the asset is getting ready for its intended use.
10.	Investment in Securities	Investments are categorised into- ● Current investments are measured at the lower of cost and net realizable value. ● Long term investments which are carried at cost unless there is a permanent diminution in value, in which case, a provision for diminution is required to be made by the entity.	Investments are categorised into- ● Held to maturity (measured at amortised cost using effective interest method) ● Trading (where changes in fair value, regardless of whether they are realised or unrealised are recognised as profit or loss) ● Available for sale (where unrealised gains or losses are accounted as a component of equity and recognised as profit or loss when realised)	Investments are categorised into- ● Held to maturity investments (measured at amortised cost using effective interest method) ● Financial assets at fair value through profit or loss (where changes in fair value are taken directly to profit or loss) ● Available for sale investments (where changes in fair value are accounted in equity and recycled to the profit or loss when realised)
11.	Inventory	Measured at cost or net realizable value whichever is lower. Net realizable value is the estimated selling price less the	Measurement is done at lower of cost or market. Market value is defined as being current replacement cost subject	Measured at cost or net realizable value whichever is lower. Net realizable value is the estimated selling price less the estimated costs of

S. No.	Particulars	Indian GAAP	U.S. GAAP	IFRS
		estimated costs of completion and the estimated costs necessary to make the sale.	to an upper limit of net realizable value (i.e. estimated selling price in the ordinary course of business less reasonably predictable costs of completion and disposal) and a lower limit of net realizable value less a normal profit margin. Reversal of a write down is prohibited, as a write down creates a new cost basis.	completion and the estimated costs necessary to make the sale. Reversal (limited to the amount of original write down) is required for a subsequent increase in value of inventory previously written down.
12.	Impairment of assets, other than Goodwill, intangible assets with indefinite useful lives and intangible assets not available for use	The standard requires the company to assess whether there is any indication that an asset is impaired at each balance sheet date. Impairment loss (if any) is provided to the extent the carrying amount of assets/Cash generating units (CGUs) exceeds their Recoverable amount. Recoverable amount is the higher of an asset's/CGU's selling price or its Value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset/CGU and from its disposal at the end of its useful life. An impairment loss for an asset/CGU recognised in prior accounting periods may be reversed if there has been a change in estimates of cash inflows, cash outflows or discount rates used to determine the asset's/CGU's	An impairment analysis is performed if impairment indicators exist. An impairment loss shall be recognised only if the carrying amount of a long-lived asset (asset group) is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset (asset group) is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset (asset group). An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset (asset group) exceeds its fair value (which is determined based on discounted cash flows). Impairment loss is recorded in the income statement. Reversal of impairment	An entity shall assess at each reporting date whether there is any indication that an asset/ CGU maybe impaired. An impairment analysis is performed if impairment indicators exist. The impairment loss is the difference between the asset's/CGU's carrying amount and its recoverable amount. The recoverable amount is the higher of the asset's/CGU's fair value less costs to sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss recognised in prior periods for an asset may be reversed if, there has been a change in the estimates used to determine the asset's/ CGU's recoverable amount since the last impairment loss was recognised.

S. No.	Particulars	Indian GAAP	U.S. GAAP	IFRS
		recoverable amount since the last impairment loss was recognised. In this case, the carrying amount of the asset/CGU should be increased to its recoverable amount. The reversal of impairment loss should be recognised in the income statement.	loss recognised in prior period is prohibited.	
13.	Pension / Gratuity / Post Retirement Benefits (Defined Benefit Plans)	The liability for defined benefit plans like gratuity and leave encashment is determined as per actuarial valuation determined based on projected unit credit method. Discount rate to be used is determined by reference to market yields on government bonds. Actuarial gains or losses are recognised immediately in the statement of income. (As per pre-revised AS-15)	The liability for defined benefit schemes is determined using the projected unit credit actuarial method. The discount rate for obligations is based on market yields of high quality corporate bonds. The plan assets are measured using fair value or using discounted cash flows if market prices are unavailable. If at the beginning of the year, the actuarial gains or losses exceeds 10.00% of the greater of the projected benefit obligation or the market-related value of plan assets, then such amount is not recognised immediately, but amortised over the average remaining service period of active employees expected to receive benefits under the plan.	Annual service cost and defined benefit obligation is determined through actuarial valuation. The liability for defined benefit schemes is determined using the projected unit credit actuarial method. Discount rate to be used for determining defined benefit obligations is by reference to market yields at the balance sheet date on high quality corporate bonds of a currency and term consistent with the currency and term of the post employment benefit obligations. The actuarial gains or loss are to be recognised using either the corridor approach or immediately in the profit or loss account or in the statement of recognised income and expenses.
14.	Leases	Leases are classified as finance or operating in accordance with specific criteria. Judgment is required to determine if the criteria are met or not.	The criteria to classify leases as capital or operating include specific quantitative thresholds.	Leases are classified as finance or operating in accordance with specific criteria. Judgment is required to determine if the criteria are met or not.

S. No.	Particulars	Indian GAAP	U.S. GAAP	IFRS
15.	Deferred Taxes	Deferred taxes are accounted for using the income statements approach, which focuses on timing differences. The tax rate applied on deferred tax items is the enacted or the substantively enacted tax rate as on the balance sheet date. Except for deferred tax on certain expenses written off directly against equity which is required to be adjusted in equity, deferred tax is always recognised in the income statement	Deferred tax asset/liability is classified as current and long-term depending upon the timing difference and the nature of the underlying asset or liability. The tax rate applied on deferred tax items is the enacted tax rate. Deferred tax is charged or credited directly to equity if the tax relates to items that are credited or charged directly to equity.	Deferred taxes are accounted for using the Balance sheet liability method, which focuses on temporary differences. Deferred tax assets/ liabilities should be measured based on enacted or substantively enacted tax laws and tax rates that are expected to apply in the period they are realised/settled. Deferred tax is charged or credited directly to equity if the tax relates to items that are credited or charged directly to equity in the same or different periods.
16.	Stock based compensation	Entities have a choice of accounting methods for determining the costs of benefits arising from employees stock compensation plans. Although the fair value approach is recommended, entities may use the intrinsic value method and give fair value disclosures.	Entities are only allowed to use the fair value approach.	Entities are only allowed to use the fair value approach.
17.	Contingent assets	A possible asset that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control. The item is recognised as an asset when the realisation of the associated benefit such as an insurance recovery, is virtually certain. However, Contingent assets, where an inflow of economic benefits is probable are not disclosed in financial statements.	Contingent assets are recognised, when realised, generally upon receipt of consideration.	A possible asset that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control. The item is recognised as an asset when the realisation of the associated benefit such as an insurance recovery, is virtually certain.

S. No.	Particulars	Indian GAAP	U.S. GAAP	IFRS
18.	Contingent liabilities	A possible obligation whose outcome will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control. Contingent liabilities are disclosed unless the probability of outflows is remote. Discounting of liability is not permitted and no provision is recognised on the basis of constructive obligation.	An accrual for a loss contingency is recognised if it is probable (defined as likely) that there is a present obligation resulting from a past event and an outflow of economic resources is reasonably estimable. If a loss is probable but the amount is not estimable, the low end of a range of estimates is recorded. Contingent liabilities are disclosed unless the probability of outflows is remote.	A possible obligation whose outcome will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control. It can also be a present obligation that is not recognised because it is not probable that there will be an outflow of economic benefits, or the amount of the outflow cannot be reliably measured. Contingent liabilities are disclosed unless the probability of outflows is remote.
19.	Related parties disclosures	The nature and extent of any transactions with all related parties and the nature of the relationship must be disclosed, together with the amounts involved.	The nature and extent of any transactions with all related parties and the nature of the relationship must be disclosed, together with the amounts involved. Scope of related party is wider than the scope defined in Indian GAAP. All material related party transactions (other than compensation arrangements, expense allowances and similar items) must be disclosed in the separate financial statements of wholly-owned subsidiaries, unless these are presented in the same financial report that includes the parent's consolidated financial statements (including those subsidiaries).	There is no specific requirement in IFRS to disclose the name of the related party (other than the ultimate parent entity). There is a requirement to disclose the amounts involved in a transaction, as well as the balances for each major category of related parties. However, these disclosures could be required in order to present meaningfully the "elements" of the transaction, which is a disclosure requirement.

S. No.	Particulars	Indian GAAP	U.S. GAAP	IFRS
20.	Post balance sheet events	Adjust the financial statements for subsequent events, providing evidence of conditions at balance sheet date and materially affecting amounts in financial statements (adjusting events). Non-adjusting events are not required to be disclosed in financial statements but are disclosed in report of approving authority e.g. Directors' Report.	Adjust the financial statements for subsequent events, providing evidence of conditions at balance sheet date and materially affecting amounts in financial statements (adjusting events). Disclosing non-adjusting events.	Similar to U.S. GAAP.
21.	Segment reporting	Report primary and secondary (business and geographic) segments based on risks and returns and internal reporting structure. Use group accounting policies or entity accounting policy.	Report based on operating segments and the way the chief operating decision-maker evaluates financial information for purposes of allocating resources and assessing performance.Use internal financial reporting policies (even if accounting policies differ from group accounting policy).	Similar to Indian GAAP.
22.	Earning per share	Use weighted average potential dilutive shares as denominator for diluted EPS.	Similar to Indian GAAP	Similar to Indian GAAP.
23.	Provisions	Record the provisions relating to present obligations from past events if outflow of resources is probable and can be reliably estimated. Discounting is not permitted.	Similar to Indian GAAP. Rules for specific situations (including employee termination costs, environmental liabilities and loss contingencies). Discounting required only when timing of cash flows is fixed.	Similar to Indian GAAP. Discounting is not permitted.

S. No.	Particulars	Indian GAAP	U.S. GAAP	IFRS
24.	Share issue expenses	May be adjusted against the premium on shares issued. Else expensed under AS-26	May be set off against the realised proceeds of share issue	The transaction costs of an equity transaction should be accounted for as a deduction from equity, net of any related income tax benefit. The costs of a transaction which fails to be completed should be expensed.
25.	Correction of error/ omissions	Include effect in the current year income statement. The nature and amount of prior period items should be separately disclosed in the statement of profit and loss in a manner that their impact on current profit or loss can be perceived.	Restatement of comparatives is mandatory.	Restatement of comparatives is mandatory.

OUR INDEBTEDNESS

The Company's aggregate borrowings, on an unconsolidated basis, as of March 31, 2007 are as follows:

S. No.	Nature of Borrowing	Amount
1.	Secured borrowings	2,553.62
2.	Unsecured borrowings	1,749.24

The details of the Company's secured long-term term loans and secured working capital loans, on an unconsolidated basis, are as follows:

Name of the Lender	Loan Documentation	Amount outstanding as of March 31, 2007 (Rs. in millions)	Interest Rate	Repayment Schedule	Prepayment
Allahabad Bank	Sanction letter dated December 30, 2004(1) and Letter of Hypothecation dated March 5, 2005	80.78	PLR p.a.	Demand loan	-
Bank of India	Sanction letter dated September 9, 2005(2) and Hypothecation-cum-Loan Agreement dated September 17, 2005	31.09	2.75% p.a. below PLR and minimum of 8.00% p.a.	24 monthly instalments commencing from March 2006	-
UTI Bank Ltd.	Sanction letter dated December 27, 2005(3) and Composite Hypothecation Deed dated December 31, 2005	334.89	BPLR – 3.0%, i.e. 9% p.a.	Demand loan	-
ICICI Bank Limited	Sanction letter dated February 8, 2006, Master Facility Agreement dated December 31, 2004 and Short term Loan Facility Agreement dated February 8, 2006(4)	72.50	I-BAR – 2.15% p.a. – Term premium, i.e. 0.10% p.a.	12 monthly instalments commencing from September 15, 2006	The Company may pay any of the outstanding tranches, in part or in full, subject to payment of applicable prepayment premium as stipulated by the bank.
ICICI Bank Limited	Sanction letter dated February 8, 2006, Master Facility Agreement dated December 31, 2004 and Short term Loan Facility Agreement dated February 8, 2006 (5)	15.00	I-BAR – 2.15% p.a. – Term premium, i.e. 0.10% p.a.	12 monthly instalments commencing from September 15, 2006	The Company may pay any of the outstanding tranches, in part or in full, subject to payment of applicable prepayment premium as stipulated by the bank.

Name of the Lender	Loan Documentation	Amount outstanding as of March 31, 2007 (Rs. in millions)	Interest Rate	Repayment Schedule	Prepayment
Allahabad Bank	Sanction letter dated March 28, 2006(6) and Letter of Hypothecation dated September 15, 2006	160.00	PLR – 2.00% p.a.	5 monthly installments commencing from February 15, 2007	-
Central Bank of India	Sanction letter dated August 18, 2006, (7) Letter of Hypothecation dated September 8, 2003		14.15 1.00%, i.e. 10.50% p.a.	PLR – Demand loan	-
State Bank of India	Sanction letter dated September 4, 2006 and Agreement of loan for overall limit dated September 6, 2006(8)	82.00	1.50% p.a. above SBAR	14 monthly instalments commencing from December 31, 2006	The bank shall recover a pre-payment charge at the rate of 2% of the pre-paid amount. However, no prepayment charge will be applicable up to pre-payment of Rs. 10 lakhs except where the loan is pre-paid for reasons of takeover by another bank or financial institution
State Bank of India	Sanction letter dated September 4, 2006 and Agreement of loan for overall limit dated September 6, 2006(9)	191.49	1.5% above SBAR	Demand loan	-
Bank of Maharashtra	Sanction letter dated September 19, 2006, Composite Hypothecation Deed dated October 11, 2006	98.77	BPLR – 1.50%	Demand loan	-

Name of the Lender	Loan Documentation	Amount outstanding as of March 31, 2007 (Rs. in millions)	Interest Rate	Repayment Schedule	Prepayment
State Bank of India	Sanction letter dated September 20, 2006 and Facility Agreement dated October 11, 2006(10)	449.82	Six months LIBOR + 140 basis points	Repayable in 8 equal half-yearly instalments commencing from May 19, 2008	The facility can be fully or partly repaid prior to maturity, in multiples of US$ 2 million on any interest payment date without any prepayment penalty, upon giving notice of 30 days and after obtaining necessary prior regulatory approvals. Amounts once paid cannot be redrawn.
ICICI Bank	Credit arrangement letter dated October 13, 2006, Supplemental and Amendatory Agreement to Master Facility Agreement dated February 8, 2006, Master Facility Agreement dated December 31, 2004	19.66	IBAR – 1% + cash credit premium of 0.5%	Demand loan	-
Centurion Bank Ltd.	Sanction letter dated January 11, 2007, (11) Supplemental Hypothecation Agreement dated January 31, 2007	142.22	3.00% below PLR	Demand loan	-

Name of the Lender	Loan Documentation	Amount outstanding as of March 31, 2007 (Rs. in millions)	Interest Rate	Repayment Schedule	Prepayment
ICICI Bank Limited	Sanction Letter dated February 22, 2007, (12) Facility Agreement dated March 26, 2007 and Deed of Hypothecation dated July 7, 2007 for an ECB facility of USD 20.00 million	-	3 months LIBOR + 130 basis points	16 Quarterly Installments commencing at the end of 15 months from the date of drawdown	Subject to the prevailing guidelines issued by the RBI in respect of ECBs, the Company may, by not less than 15 Business Days' prior written notice, prepay any loan, in whole or in part, at the end of an interest period only without prepayment penalty. Any amount prepaid cannot be redrawn. Where the loan is prepaid in part, it must reduce the loan amount by a minimum amount of US$ 2 million or a higher amount in integral multiples of US$ 1 million
IDBI Bank	Revised sanction letter dated March 20, 2007, Original Sanction letter dated February 6, 2006, Facility Agreement dated February 11, 2006(13) and Supplemental Agreement of Hypothecation of Goods and Assets dated March 23, 2007	80.36	10.50% p.a.	14 months from December 2006 to January 2008	-

Name of the Lender	Loan Documentation	Amount outstanding as of March 31, 2007 (Rs. in millions)	Interest Rate	Repayment Schedule	Prepayment
IDBI Bank	Revised sanction letter dated March 20, 2007, Original Sanction letter dated February 6, 2006, Facility Agreement dated February 11, 2006(14) and Supplemental Agreement of Hypothecation of Goods and Assets dated March 23, 2007	97.50	10.50% p.a.	14 months from December 2006 to January 2008	-
IDBI Bank	Sanction letter modification dated March 23, 2007, Sanction letter dated March 20, 2007, Facility Agreement dated February 11, 2006(15) and Supplemental Agreement of Hypothecation dated March 23, 2007	20.05	BPLR – 1.50%	Demand loan	-
IDBI Bank	Sanction letter modification dated March 23, 2007, Sanction letter dated March 20, 2007, Facility Agreement dated February 11, 2006(16) and Supplemental Agreement of Hypothecation dated March 23, 2007	180.00	BPLR	Maximum tenor of 180 days	-
Punjab National Bank	Sanction letter dated February 10, 2007(17) and Hypothecation of book debts and movable assets dated March 29, 2007	33.45	BPLR + 0.5%	Demand loan	-

(1) As per the Annexure to the sanction letter, without prior consent of the bank, the shares of the promoter directors cannot be transferred, and no major change in the management of the company involving transfer of ownership can be effected. Further, the Company cannot make any investment in any subsidiary or associate concerns by way of loans, and advances or investment in shares without the prior written permission of the bank.

(2) Under the sanction letter, the Company shall not, except with prior written permission from the bank, make any alterations in its constitution, controlling ownership or any documents relating to its constitution or any other material change in its management or in the nature of its business or operations during the period of subsistence of the facilities.

(3) Under the sanction letter, the Company shall not, without the written permission of the bank, effect any change in capital structure; make any drastic change in management; declare dividends for any year except out of profits relating to that year after making all

due and necessary provisions and provided that no default has occurred in repayment obligations; formulate any scheme of amalgamation or reconstruction; or enter into borrowing arrangements, either secured or unsecured, with any other bank or financial institutions, company or otherwise.

(4) Under the short term loan facility agreement, without prior written approval of the bank, the Company shall not undertake or permit any merger, demerger, consolidation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction including creation of any subsidiary or permit any company to become its subsidiary; or declare or pay any dividend or authorise or make any distribution to its shareholders/members/partners or permit withdrawal of amounts brought in unless it has paid all the dues in respect of the facility.

(5) Under the short term loan facility agreement, without prior written approval of the bank, the Company shall not undertake or permit any merger, demerger, consolidation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction including creation of any subsidiary or permit any company to become its subsidiary; or declare or pay any dividend or authorise or make any distribution to its shareholders/members/partners or permit withdrawal of amounts brought in unless it has paid all the dues in respect of the facility.

(6) Under the sanction letter, except with the prior written permission of the bank, the shares of promoter directors shall not be transferred; no further investment shall be made by the Company in any subsidiary/associate concerns by way of loans and advances or investment in shares; no major change in the management of the Company involving transfer of ownership shall be effected; no change or alteration shall be effected in the Company's capital structure; and no scheme of amalgamation or reconstitution shall be formulated.

(7) Under the sanction letter, the Company shall not, without the bank's prior written consent, effect any scheme of amalgamation or reconstitution; implement any scheme of expansion or take up diversification of business or make capital expenditure infringing upon the liquidity position of the Company; declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided that no default has occurred in repayment obligations; enter into borrowing arrangements with any other bank or financial institutions; or invest its funds by way of deposits or loans or capital in any other concern or divert its funds in any other manner infringing upon the liquidity position of the Company.

(8) Under the loan agreement, the Company shall not, without the prior written permission of the bank, change or in any way alter its capital structure; effect any scheme of amalgamation or reconstruction; implement a new scheme of expansion or take up an allied line of business or manufacture; or declare a dividend, except where the credit facilities are being paid regularly.

(9) Under the loan agreement, the Company shall not, without the prior written permission of the bank, change or in any way alter its capital structure; effect any scheme of amalgamation or reconstruction; implement a new scheme of expansion or take up an allied line of business or manufacture; or declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided that no default has occurred in repayment obligations.

(10) Under the facility agreement, the Company shall ensure that there is no substantial change made to the general nature or scope of the business of the Company from that carried on or existing at the date of the agreement; the Company will ensure that the promoters collectively do not cease to hold at least 47.5% of the issued equity share capital of the Company without the prior written consent of the bank; the Company will not enter into any merger, amalgamation or consolidation without prior written consent of the bank; the Company shall not amend its Memorandum or Articles of Association without the prior written consent of the bank if such amendment shall in any way affect the rights of the bank pursuant to the financing documents.

(11) Under the sanction letter, the Company must keep the bank informed of any adverse developments relating to labour, production and financial condition in order to facilitate effective monitoring by the bank and suggest timely remedial measures.

(12) Under the sanction letter, the management control of the Company shall remain with the promoters for the entire duration of the facility, during which they shall hold at least 51% stake in the Company.

(13) Under the facility agreement, during the currency of the bank's credit facilities, the shareholding of principal shareholder and promoters of the Company, and of the persons who were directors of the Company at the time of the agreement, shall not be varied without the prior written permission of the bank. Further, the Company shall not, without prior written consent of the bank, change or in any way alter its capital structure; effect any scheme of amalgamation or reconstitution; implement a new scheme of expansion or take up an allied line of business or manufacture; withdraw or allow to be withdrawn any monies brought in by the promoter or directors or relatives and friends of the promoters and directors; or pay dividend in the event of the occurrence of an event of default.

Under the revised sanction letter, the bank reserves the right to withdraw the facilities in the event of any change in circumstances including but not limited to a material change in ownership, shareholding pattern or management of the Company.

(14) Under the facility agreement, during the currency of the bank's credit facilities, the shareholding of principal shareholder and promoters of the Company, and of the persons who were directors of the Company at the time of the agreement, shall not be varied without the prior written permission of the bank. Further, the Company shall not, without prior written consent of the bank, change or in any way alter its capital structure; effect any scheme of amalgamation or reconstitution; implement a new scheme of expansion or take up an allied line of business or manufacture; withdraw or allow to be withdrawn any monies brought in by the promoter or directors or relatives and friends of the promoters and directors; or pay dividend in the event of the occurrence of an event of default.

Under the revised sanction letter, the bank reserves the right to withdraw the facilities in the event of any change in circumstances including but not limited to a material change in ownership, shareholding pattern or management of the Company.

(15) Under the sanction letter, the bank reserves the right to withdraw the facilities in the event of any change in circumstances including

but not limited to a material change in ownership, shareholding pattern or management of the Company. Under the facility agreement, during the currency of the bank's credit facilities, the shareholding of principal shareholder and promoters of the Company, and of the persons who were directors of the Company at the time of the agreement, shall not be varied without the prior written permission of the bank. Further, the Company shall not, without prior written consent of the bank, change or in any way alter its capital structure; effect any scheme of amalgamation or reconstitution; implement a new scheme of expansion or take up an allied line of business or manufacture; withdraw or allow to be withdrawn any monies brought in by the promoter or directors or relatives and friends of the promoters and directors; or pay dividend in the event of the occurrence of an event of default.

(16) Under the sanction letter, the bank reserves the right to withdraw the facilities in the event of any change in circumstances including but not limited to a material change in ownership, shareholding pattern or management of the Company. Under the facility agreement, during the currency of the bank's credit facilities, the shareholding of principal shareholder and promoters of the Company, and of the persons who were directors of the Company at the time of the agreement, shall not be varied without the prior written permission of the bank. Further, the Company shall not, without prior written consent of the bank, change or in any way alter its capital structure; effect any scheme of amalgamation or reconstitution; implement a new scheme of expansion or take up an allied line of business or manufacture; withdraw or allow to be withdrawn any monies brought in by the promoter or directors or relatives and friends of the promoters and directors; or pay dividend in the event of the occurrence of an event of default.

(17) Under the sanction letter, the Company shall not, without prior written consent of the bank, effect any scheme of amalgamation or reconstitution; alienate or create charge on the assets of the Company which are secured to the bank, undertake any guarantee obligations, implement nay scheme of expansion or diversification, enter into a borrowing agreement with any other bank, declare dividend if it defaults to pay interest or any other dues to the bank or invest its funds by way of deposits or loans or capital in any other concern or divert its funds.

Further, the Company also has certain working capital facilities from several banks under which the Company is under an obligation not to, except with the prior consent of the lender, effect any change in the company's capital structure; formulate any scheme of amalgamation or reconstruction; implement any scheme of expansion or acquire any fixed assets; and declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided that no default has occurred in repayment obligations. For additional information, including on the Company's unsecured loans, see the section "Financial Statements" beginning on page F-1 of this Red Herring Prospectus.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there is no outstanding material litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against the Company, and there are no material defaults, non payment of statutory dues, over-dues to banks or financial institutions, defaults against banks or financial institutions, defaults in dues payable to holders of any debenture, bonds or fixed deposits or arrears of preference shares issued by the Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its Subsidiaries, its Promoters or Directors, that may have a material adverse effect on our unconsolidated financial position, nor, so far as we are aware, are there any such proceedings pending or threatened. Except as disclosed in this Red Herring Prospectus, no other material litigation has arisen after the date of filing the Draft Red Herring Prospectus with SEBI on April 27, 2007.

Neither the Company nor its Promoters, members of the Promoter Group, Subsidiaries, Associates and Directors have been declared as willful defaulters by the Reserve Bank of India or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

Contingent liabilities of the Company as of March 31, 2007:

The Company had contingent liabilities, on an unconsolidated basis, in an amount of Rs. 491.51 million that are not provided for, as set forth in its restated unconsolidated balance sheet as of March 31, 2007. For further information, please see Annexure XVI of restated unconsolidated financial statements as of March 31, 2007, beginning on page F-34 of this Red Herring Prospectus.

Outstanding Litigation and Material Developments/Proceedings against the Company and the Subsidiaries

Cases against the Company

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
1.	129/ 2002	April 15, 2002	Sekhar Chand Jain & Company	Maytas Infra	Court of Civil Judge, Sr. Division, Ludhiana,	Rs. 765,000	Maytas Infra hired a vibratory road roller from the complainant company. Maytas Infra failed to make payment of monthly rental for a period of seven months amounting to Rs. 700,000. The complainant filed a suit for recovery of the said sum with interest at 24% p.a. Maytas Infra claimed that the road roller had broken down on various occasions and claimed refund of the advance amount of Rs. 260,250 paid in respect of the road roller.	The next date of hearing is September 15, 2007.

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
2.	N.A.	N.A.	Tripati Carriers and Ramesh Yadav, Naurangapur District Gurgaon	Maytas Infra	Not Applicable	Rs. 674,821	The complainant served a notice dated August 12, 2005 alleging that KAPCON Project Private Limited, a sister concern of Maytas Infra owed payment of an amount aggregating Rs. 674,821 which was not received. Maytas Infra responded to the notice denying that KAPCON Project Private Limited Is a "sister concern" and stating that since there is no privity of contract between Maytas Infra and the Complainant, there is no payment obligation on Maytas Infra.	Maytas Infra replied to the legal notice on August 22, 2005. No further action has been taken.
3.	Suit No. 1785/ 2006	November 6, 2006	J.R. Kishore Galav, Proprietor,Indo West International Private Limited, New Delhi	Ratna Constructions and Maytas Infra	Not Applicable	Rs. 262,020	A notice was issued by the complainant demanding payment of Rs. 262,020 with interest at 24% p.a. towards payment for completion of a work order contract of road marking on NH-65, given to the complainant by Ratna Constructions, a sub-contractor engaged by Maytas Infra. A cheque was issued for a sum of Rs. 150,000, as part payment, but was returned unpaid with the endorsement 'payment stopped by the drawer' on November 22, 2003. The Complainant was asked to present the cheque again and the same was dishonoured on January 16, 2004. Maytas Infra replied to the notice on March 31, 2004 disclaiming any connection with the concerned work, the cost of the work and issue of the cheque. A summary suit was filed by the Applicant for recovery of Rs. 150,000.	A summons order was issued on December 8, 2006. The case is pending in the court of the Senior Civil Judge, Karkardooma Courts, Delhi.

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
4.	O.P. 17/ 2004	March 4, 2004	Engineer-in-Chief, Haryana Public Works Department (B & R Branch), Chandigarh	Maytas Infra	District Judge, Chandigarh	Rs. 18,090,216 plus 12% interest from December 31, 2003 till the date of payment	The objection petition has been filed for setting aside an award dated December 9, 2003 given by an arbitral tribunal in respect of the contract awarded by the petitioner for maintenance works on SH-12, Assandh-Jind Road (Contract No. HHUP/ M-4). Two issues, an arithmetical error in the contract price quoted by Maytas Infra and non-issue of a certificate for exemption from excise duty for specific materials by the petitioner, were decided in favour of Maytas Infra by an award dated December 9, 2003.	The next date of hearing is November 22, 2007.
5.	O.P. 18/ 2004	March 4, 2004	Engineer-in-Chief, Haryana Public Works Department (B & R Branch), Chandigarh	Maytas Infra	District Judge, Chandigarh	Rs. 35,796,273 plus 12% interest from December 31, 2003 till the date of payment	The objection petition has been filed for setting aside an award dated December 5, 2003 given by an arbitral tribunal in respect of the contract awarded by the petitioner for maintenance works on SH-22 and 20, Bahadurgarh, Jhajjar Dadri, Lodharu Road (Contract No. HHUP/M-8). Two issues, an arithmetical error in the contract price quoted by Maytas Infra and non-issue of a certificate for exemption from excise duty for specific materials by the petitioner, were decided in favour of Maytas Infra by an award dated December 5, 2003.	The next date of hearing is November 22, 2007.
6.	Special Civil Suit 335/ 2006	February 21, 2006	Kirloskar Brothers Limited, Pune	NCC, Navyug Engineering Company Limited, Maytas Infraand the NEC- NCC-MAYTAS joint venture.	Civil Judge Sr. Division, Pune	Not quantifiable.	The applicant has filed this suit against the NEC- NCC-MAYTAS joint venture for specific performance of a memorandum of understanding dated October 17, 2004. The applicant has prayed for a mandatory injunction to direct the defendants to execute a sub-contract arrangement and award the work to the applicant and for	

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
							a permanent injunction to restrain the defendants from awarding the work to a third party. Maytas Infra filed an application on April 21, 2006 stating that there is no concluded and binding agreement between the applicant and the defendants. Further, since the memorandum of understanding was executed at Hyderabad, the court had no jurisdiction to hear the complaint.	The next date of hearing is September 17, 2007.
7.	V – 58/06-07, V – 395-05-06, V – 396-05-06, V – 397-05-06.	February 15, 2006	State through Additional District Collector (F&R), Meerut	Maytas Infra	Additional District Magistrate (F&R), Meerut	Rs. 14,050,200	Maytas Infra was awarded the construction work of the Meerut-Muzaffarnagar road, pursuant to which it purchased four pieces of land for its staff and for storage of construction materials. The Assistant District Collector, Revenue issued an order dated November 23, 2006 stating that the lands have been categorised as commercial land and not as agricultural land and directed Maytas Infra to pay the difference in the amount of stamp duty. Maytas Infra preferred appeals (Appeal Nos. 9/2007, 10/2007, 11/2007 and 12/2007) against this order on January 11, 2007, depositing one-third of the amount in dispute. On the same day, the Revenue Court at Meerut granted a stay order.	The Argument were completed on July 12, 2007. The matter has been reserved for orders.

Cases by the Company (including appeals from adverse decisions)

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
1.	O.P. 77/ 2004	September 11, 2004	Maytas Infra	Engineer-in-Chief, Haryana PWD (B & R Bench), Chandigarh	District Judge, Chandigarh	Not quantifiable	Maytas Infra has challenged the award given by the Arbitral Tribunal on July 16, 2004 in relation to the "Haryana Road Works Package M- 04". On the basis that the Arbitral Tribunal had omitted to consider and decide upon certain issues referred to it under Section 33(4) of the Arbitration and Conciliation Act, 1996. The written statement in response to the objection petition was filed on September 11, 2004.	The next date of hearing is November 22, 2007.
2.	O.P. 80/ 2004	September 11, 2004	Maytas Infra	Engineer-in-Chief, Haryana PWD (B & R Bench), Chandigarh	District Judge, Chandigarh	Not quantifiable.	Maytas Infra has challenged the award given by the Arbitral Tribunal on July 16, 2004 in relation to the "Haryana Road Works Package M- 08". On the basis that the Arbitral Tribunal had omitted to consider and decide upon certain issues referred to it under Section 33(4) of the Arbitration and Conciliation Act, 1996. The written statement in response to the objection petition was filed on September 11, 2004.	The next date of hearing is November 22, 2007.
3.	Appeal Case No.62/ 2005	December 15, 2005	Maytas Infra	State of Haryana through the Engineer-in-Chief, Haryana PWD (B & R Bench), Chandigarh	District Judge, Chandigarh	Rs. 81,979,715	Maytas Infra filed a claim for breach of contract for the "Haryana Road Works Package M-04". The Respondent raised a preliminary objection that the applicant had not followed the arbitral proc edure and therefore the Arbitral Tribunal had no jurisdiction. The Arbitral Tribunal rejected the claim on November 11, 2005. Maytas Infra has filed this appeal under Section 37 of the Arbitration and Conciliation Act, 1996, to have the order of the Arbitral Tribunal set aside.	The next date of hearing is October 9, 2007.

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
4.	Appeal Case No.61/ 2005	December 15, 2005	Maytas Infra	State of Haryana through the Engineer-in-Chief, Haryana PWD (B & R Bench), Chandigarh	District Judge, Chandigarh	The claim amount is yet to be quantified.	Maytas Infra filed a claim for breach of contract for the "Haryana Road Works Package M-08". The Respondent raised a preliminary objection that the applicant had not followed the arbitral procedure and therefore the Arbitral Tribunal had no jurisdiction. The Arbitral Tribunal rejected the claim on November 11, 2005. Maytas Infra has filed this appeal under Section 37 of the Arbitration and Conciliation Act, 1996 to have the order of the Arbitral Tribunal set aside.	The next date of hearing is October 9, 2007.
5.	Appeal Case No.11/ 2006	February 2, 2006	Maytas Infra	State of Haryana through the Engineer-in-Chief, Haryana PWD (B & R Bench), Chandigarh	District Judge, Chandigarh	Rs. 81,979,715	Maytas Infra filed a claim for breach of contract for the "Haryana Road Works Package M-04". The Arbitral Tribunal rejected the claim on November 11, 2005. Maytas Infra has filed this appeal under Section 34 of the Arbitration and Conciliation Act, 1996, to have the order of the Arbitral Tribunal set aside.	The next date of hearing is October 9, 2007.
6.	Appeal Case No.12/ 2006	February 2, 2006	Maytas Infra	State of Haryana through the Engineer-in-Chief, Haryana PWD (B & R Bench), Chandigarh	District Judge, Chandigarh	The claim amount is yet to be quantified.	Maytas Infra filed a claim for breach of contract for the "Haryana Road Works Package M-08". Arbitral Tribunal rejected the claim on November 11, 2005. Maytas Infra has filed this appeal under Section 34 of the Arbitration and Conciliation Act, 1996 to have the order of the Arbitral Tribunal set aside.	The next date of hearing is October 9, 2007.

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
7.	N.A.	N.A.	Maytas Infra	State of Haryana through the Engineer-in-Chief, Haryana PWD (B & R Bench), Chandigarh	Arbitration Tribunal comprising S.S. Juneja, Justice A.L. Bahri (Retd.) and Justice S.K. Jain (Retd.) at Chandigarh	Rs. 135,723,368	Maytas Infra filed a statement of claim dated October 18, 2006 under Section 23 of the Arbitration and Conciliation Act, 1996, for breach of contract for the Haryana Road Works Package M-14 on the grounds that the Respondent failed to define the dimensions of the site and therefore failed to give possession of the site in its entirety on the date of commencement of the work; possession of the site was given on a piecemeal basis; failure to make payments of amounts certified by the Engineer within 28 days of such certification towards work done by Maytas Infra; failure to make mobilisation advances and equipment advances as promised; and variation of the work in such a manner as prevented Maytas Infra from completing the work by the intended completion date.	The next arbitral proceedings are on October 5, 2007.
8.	N.A.	N.A.	Maytas Infra	State of Haryana through the Engineer-in-Chief, Haryana PWD (B & R Bench), Chandigarh	Arbitration Tribunal comprising S.S. Juneja, Justice A.L. Bahri (Retd.) and Justice S.K. Jain (Retd.) at Chandigarh	Rs. 188,623,893	Maytas Infra filed a statement of claim under Section 23 of the Arbitration and Conciliation Act, 1996, dated January 8, 2007 for breach of contract for the Haryana Road Works Package M-19(B) on the grounds that the Respondent failed to define the dimensions of the site and therefore failed to give possession of the site in its entirety on the date of commencement of the work; possession of the site was given on a piecemeal basis; failure to make payments of amounts certified by the Engineer within 28 days of such certification towards work done by Maytas Infra; failure to make mobilisation advances and equipment advances as promised; and variation of the work in such a manner as prevented Maytas Infra from completing the work by the intended completion date.	The arbitral proceedings have been stayed pursuant to an order of the Supreme Court of India dated April 27, 2007 in the Petition for Special Leave to Appeal (Civil) No. 5346/2007 filed by the Respondent, challenging the order dated July 14, 2006 of the High Court of Punjab and Haryana in relation to the appointment of arbitrators.

Tax Cases by the Company

S. No.	Appeal No./ Case No.	Dated	Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
1.	I.T.A. No. 590/H/01	July 30, 2001	Maytas Infra	Commissioner of Income Tax, Income Tax Department, Hyderabad	Income Tax Appellate Tribunal, Hyderabad	Rs. 387,000	For the assessment year 1989-90, the assessment was disputed on "Other Income" addition.	Appeal pending. The next date of hearing is yet to be notified.
2.	I.T.A. No. 263/H/99	April 21, 1999	Maytas Infra	Assessing Officer, Income Tax Department, Hyderabad	Income Tax Appellate Tribunal, Hyderabad	Rs. 1,021,000	For the assessment year 1990-91, the assessment was disputed on "Other Income" addition.	Appeal pending. The next date of hearing is yet to be notified.
3.	I.T.A. No. 591/H/01	July 30, 2001	Maytas Infra	Assessing Officer, Income Tax Department, Hyderabad	Income Tax Appellate Tribunal, Hyderabad	Rs. 1,944,000	For the assessment year 1992-93, the assessment was disputed on "Other Income" addition.	Appeal pending. The next date of hearing is yet to be notified.
4.	I.T.A. No. 1751/H/01	September 23, 1996	Maytas Infra	Assessing Officer, Income Tax Department, Hyderabad	Income Tax Appellate Tribunal, Hyderabad	Rs. 3,865,000	For the assessment year 1993-94, the assessment was disputed on "Other Income" addition.	Appeal pending. The next date of hearing is yet to be notified.
5.	I.T.A. No. 656/H/98	September 14, 1998	Maytas Infra	Assessing Officer, Income Tax Department, Hyderabad	Income Tax Appellate Tribunal, Hyderabad	Rs. 59,000	For the assessment year 1994-95, the assessment was disputed on "Other Income" addition.	Appeal pending. The next date of hearing is yet to be notified.
6.	I.T.A. No. 170/H/06	February 17, 2006	Maytas Infra	Assessing Officer, Income Tax Department, Hyderabad	Income Tax Appellate Tribunal, Hyderabad	Rs. 10,184,000	For the assessment year 2002-03, the assessment was disputed on "Other Income" addition.	Appeal pending. The next date of hearing is yet to be notified.
7.	I.T.A. No. 72/H/07	January 18, 2007	Maytas Infra	Assessing Officer, Income Tax Department, Hyderabad	Income Tax Appellate Tribunal, Hyderabad	Rs. 21,170,000	For the assessment year 2003-04, the assessment was disputed on the estimation of "Income" prior to allowing for depreciation.	Appeal pending. The next date of hearing is yet to be notified.
8.	I.T.A. No. 831/H/07	July 20, 2007	Maytas Infra	Assistant Commissioner of Income Tax, Income Tax Department, Hyderabad	Income Tax Appellate Tribunal, Hyderabad	Rs. 22,565,838	For the assessment year 2004-05, the assessment was disputed on the estimation of "Income" prior to allowing for depreciation.	Appeal pending. The next date of hearing is yet to be notified.

Tax cases against the Company

S. No.	Appeal No./ Case No.	Dated	Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
1.	I.T.A No. 742/H/98	October 20, 1998	Income Tax Department, Hyderabad	Maytas Infra	Income Tax Appellate Tribunal, Hyderabad	Rs. 3,462,000	For the assessment year 1994-95, commission amounting to Rs. 3,462,000 deducted from the taxable income of Maytas Infra.	Appeal pending. The next date of hearing is yet to be notified.

Proceedings initiated against the Company for economic offences

There are no proceedings initiated against the Company for any economic offences.

Debt owed to small scale undertakings

The Company does not owe an amount in excess of Rs. 100,000 to any small scale undertaking.

Outstanding Litigation and Material Developments involving the Subsidiaries

There is no outstanding litigation and material developments/proceeding involving the Subsidiaries.

Litigation/Proceedings involving the Directors of the Company

Except as disclosed, there is no outstanding material litigation involving the Directors, there are no suits or criminal prosecutions or civil proceedings involving the Directors, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by the Directors (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).

Outstanding Litigation and Material Developments/Proceedings against the Directors

There is no outstanding litigation and material developments/proceeding against the Directors.

Outstanding Litigation and Material Developments/Proceedings filed by the Directors

There is no outstanding litigation and material developments/proceeding filed by the Directors.

Proceedings initiated against the Directors for economic offences

There are no proceedings initiated against the Directors for any economic offences.

Details of past penalties imposed on the Directors

There are no past penalties imposed on the Directors.

Litigation involving Promoters

Except as disclosed below, there is no outstanding litigation involving our Promoters.

S. No.	Appeal No./ Case No.	Dated	Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
1.	O.S. No. 57 of 2004	February 2, 2004	D.S.N. Raju and 23 others, including B. Teja Raju	Praga Tools Officers Co-operative Housing Society Limited and four others	Court of the Additional District Judge, Ranga Reddy District, L.B. Nagar, Hyderabad	Rs. 10,593,750	The applicants purchased and admeasuring 5 acres - 26 guntas in Survey No. 3, Old Bowenpally Village, Balanagar Mandal, Ranga Reddy District from N. Ramulu, N. Mallesh and N. Venkata Swamy (the "Vendors") pursuant to sale deeds dated September 25, 2002. The deeds were executed on the basis of a certificate issued to the Vendors by the Revenue Divisional Officer, Chevella. Praga Tools Officers Co-operative Housing Society Limited ("Praga Tools") claimed specific performance of an agreement of sale allegedly executed by another respondent, Syed Iftikar Ali. Praga Tools filed an appeal before the Joint Collector, Ranga Reddy District, pursuant to which the certificate in favour of the Vendors was set aside. The applicants filed this suit praying for declaration of the applicants as the absolute owners of the property and that the sale deed executed between Praga Tools and Syed Iftikar Ali is null and void. Additionally, they have sought a decree of permanent injunction restraining the respondents from interfering with their possession of the property.	The next date of hearing is September 10, 2007.

S. No.	Appeal No./ Case No.	Dated	Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
2.	C.R.P. No. 1086/2004	January 27, 2004	D.S.N. Raju and 23 others, including B. Teja Raju	Praga Tools Officers Co-operative Housing Society Ltd. and four others	High Court of Judicature, Andhra Pradesh, at Hyderabad	Rs. 10,593,750	The Joint Collector, Ranga Reddy District issued an order pursuant to Case No. F2/8313/2002 dated November 15, 2003, setting aside the sale certificate dated March 30, 2002 issued by the Revenue Divisional Officer, Chevella. The title of the applicants to land admeasuring 5 acres - 26 guntas in Survey No. 3, Old Bowenpally Village, Balanagar Mandal, Ranga Reddy flows from this certificate. The present petition has been filed to set aside the order of the Joint Collector dated November 15, 2003.	The case has not yet come up for hearing.
3.	Nil	May 26, 2006	Veeyes Investments Private Limited	Assistant Commissioner of Income Tax, Central Circle-I, Hyderabad	Income Tax Appellate Tribunal, Hyderabad	Rs. 1,418,481	For the assessment year 2002-03, the assessment was disputed on the addition of Rs. 720,000 under the head “Administrative and Other Expenses” and enhancement of the assessment by Rs. 5,846,780.	The case is yet to be posted for hearing before the Income Tax Appellate Tribunal.

There is no outstanding material litigation, suits or criminal proceedings or civil prosecutions or tax liabilities against companies promoted by the Promoters, and there are no material defaults, non-payment of statutory dues, over dues to banks/ financial institutions, defaults in dues payable to holders of any debentures, bond or fixed deposits and arrears on preference shares issued by the group companies (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).

Litigation/Defaults in respect of companies/firms/ventures with which the Promoters were Associated in the Past

There is no outstanding litigation/defaults in respect of companies/firms/ventures with which the Promoters were associated in the past.

Litigation involving Promoter Group Companies

S. No.	Appeal No./ Case No.	Dated	Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration	Brief Description of Case	Status
1.	O.S. No. 485 of 1994	April 25, 2005	K. Sudarshan Reddy	K. Siva Reddy and 15 others, including Lake Shine Farms Private Limited	Second Senior Civil Judge, Ranga Reddy District, L.B. Nagar	Rs. 487,500	The applicant filed the suit contending that a final partition in respect of certain properties located in the Ranga Reddy District was not carried out. Lake Shine Farms Private Limited was impleaded as per an order in I.A. No. 687/04 dated April 8, 2005. Lake Shine Farms Private Limited filed its written statement on July 27, 2005 contending that there was a partition and the necessary entries had been made in the revenue records. On grounds that there was no cause of action, it was prayed that the suit be dismissed.	The next date of hearing is September 4, 2007.

Past Penalties paid by the Subsidiaries and the Promoter Group Companies

There are no past penalties paid by the Subsidiaries and the Promoter Group Companies.

Details of past penalties imposed on Joint Ventures

1. In respect of the unincorporated joint venture, Maytas-NCC JV, Manavi, for upgradation of the road from Kalmala to Sindhnur under the proposed Karnataka State Highway Improvements Project, the Project Implementation Unit of the Public Works Department of the Government of Karnataka recovered Rs. 15,291,395 as liquidated damages by deducting the same from the running account bill, for non-achievement of certain milestones prescribed under the contract.

Material Developments since the Last Balance Sheet Date

Other than as disclosed in this Red Herring Prospectus, there has not arisen, since the date of the last financial statements set out herein, any circumstance that materially or adversely affects our profitability taken as a whole or the value of our unconsolidated assets or our ability to pay our material liabilities over the next twelve months.

GOVERNMENT AND OTHER APPROVALS

On the basis of the indicative list of approvals provided below, the Company can undertake this Issue and its current business activities and no further major approvals from any Government or regulatory authority, including the RBI, are required to undertake the Issue or continue these activities. Unless otherwise stated, these approvals are valid as of the date of this Red Herring Prospectus.

Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

The Board of Directors has, pursuant to resolution passed at its meeting held on February 10, 2007, authorised the Issue and related matters subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary.

The shareholders of the Company have, pursuant to a resolution dated March 30, 2007, under Section 81(1A) of the Companies Act, authorised the Issue and related matters.

The Company has obtained in-principle listing approvals dated May 17, 2007 and May 21, 2007 from the BSE and the NSE, respectively.

The Company has also obtained necessary contractual approvals required for the Issue.

Approvals for the Business

We require various approvals to carry on our business in India. The approvals that we require include the following:

Within India

S. No.	No./Description of Permit/Licence	Issuing Authority	Date	Comments/ Remarks
General Approvals				
1.	PAN No. AABCM3722F under I.T. Act	Income Tax Department, Government of India	June 1, 1998	Valid until cancelled
2.	TIN 28860168008 under Andhra Pradesh Value Added Tax Act, 2005	Commercial Tax Department, Government of Andhra Pradesh	March 20, 2005	Valid until cancelled
3.	TAN No. HYDM01739D under I.T. Act.	Income Tax Department, Andhra Pradesh	May 25, 2003	Valid until cancelled
4.	TIN 28860168008 under the Central Sales Tax (Registration and Turnover) Rules, 1957	Commercial Tax Officer, Begumpet Circle, Begumpet Division, Hyderabad	April 1, 1994	Valid until cancelled
5.	TIN 18560054642 under Assam VAT Rules, 2005	Office of the Assistant Commissioner of Taxes, Nagaon, Assam	May 1, 2005	Valid until cancelled
6.	CST No. NWG/CST/0536 under the Central Sales Tax (Registration and Turnover) Rules, 1957	Office of the Assistant Commissioner of Taxes, Nagaon, Assam	September 30, 2005	Valid until cancelled
7.	TIN 29450141918 under Karnataka Value Added Tax Act, 2003	Assistant Commissioner of Commercial Taxes, Bangalore	April 1, 2005	Valid until cancelled
8.	CST No. 01795922 under the Central Sales Tax (Registration and Turnover) Rules, 1957	Assistant Commissioner of Commercial Taxes, VI Circle, Bangalore	July 17, 2000.	Valid until cancelled

S. No.	No./Description of Permit/Licence	Issuing Authority	Date	Comments/ Remarks
9.	TIN 23397204329 under Madhya Pradesh Value Added Tax Rules, 2006	Department of Sales Tax Government of M.P.	July 1, 2003	Valid until cancelled
10.	CST No. 0904/1855-c under the Central Sales Tax (Registration and Turnover) Rules, 1957	Sales Tax Officer, Shadol, M.P.	March 26, 2003	Valid until cancelled
11.	TIN 27940011362V under Maharashtra Value Added Tax Act, 2005	Department of Sales Tax, Government of Maharashtra	April 1, 2006	Valid until cancelled
12.	TIN LW-0266670 under Uttar Pradesh Trade Tax Act, 1948	Department of Sales Tax, Government of Uttar Pradesh	November 1, 2005	Valid until cancelled
13.	CST No. LW-5116024 under the Central Sales Tax (Registration and Turnover) Rules, 1957	Department of Sales Tax, Government of Uttar Pradesh	November 8, 2005	
14.	TIN 22583603989 under the Chhattisgarh Value Added Tax Act, 2005	Commercial Tax Officer, Rajnandgaon Circle, Chhattisgarh.	September 12, 2006	Valid until cancelled
15.	CST No. 22583603989 under the Central Sales Tax (Registration and Turnover) Rules, 1957	Commercial Tax Officer, Rajnandgaon Circle, Chhattisgarh.	September 12, 2006	Valid until cancelled
16.	TIN 33103482385 under Tamil Nadu Value Added Tax Act, 2006	Deputy Commercial Tax Officer, Lalgudi, Tamilnadu.	January 1, 2007	Valid until cancelled
17.	CST No. 825071 under the Central Sales Tax (Registration and Turnover) Rules, 1957	Deputy Commercial Tax Officer, Lalgudi, Tamilnadu.	November 17, 2006	Valid until cancelled
18.	TIN 06932502271 under the Haryana Value Added Tax Act, 2003	Excise & Taxation Officer, Panchakula	April 1, 2005	Valid until cancelled
19.	TIN 06932502771 under the Central Sales Tax Act, 1956	Excise & Taxation Officer, Panchakula	October 17, 2000	Valid until cancelled
20.	CST No. 21101310462 under the Central Sales Tax (Registration and Turnover) Rules, 1957	Assistant Commissioner of Sales Tax, Cuttack	January 9, 2007	Valid until cancelled
21.	TIN 21101310462 under the Orissa Value Added Tax Act, 2004	Assistant Commissioner of Sales Tax, Cuttack	January 9, 2007	Valid until cancelled
22.	CST No. 24560303242 under the Central Sales Tax (Registration and Turnover) Rules, 1957	Assistant Commissioner of Commercial Tax, Unit – 24, Gandhinagar	May 10, 2007	Valid until cancelled
23.	TIN 24060303242 under the Gujarat Value Added Tax Act, 2003	Assistant Commissioner of Commercial Tax, Unit – 24, Gandhinagar	May 10, 2007	Valid until cancelled
24.	Registration No. COT/SP/91/2003 for Contractors Identity Card for issue of tender schedules to the Company	Engineer-in-Chief, I&CAD Department, Government of Andhra Pradesh	January 31, 2004	Valid until January 30, 2009
25.	Licence No. A/4075 I-947 for electrical installation work	Andhra Pradesh Electrical Licensing Board, Government of Andhra Pradesh	June 20, 2006	Valid until June 19, 2008

S. No.	No./Description of Permit/Licence	Issuing Authority	Date	Comments/ Remarks
26.	Registration No. CBS/4772 civil/2000 for Contractor's Pass Book	Karnataka Public Works Department, Government of Karnataka	December 17, 2003	Valid until March 31, 2010
27.	Registration No. KPCL/RGN/I/91/ R3/ 114/2006 under the Rules for Registration of Contractors of Karnataka Power Corporation Limited	Karnataka Power Corporation Limited	November 30, 2006	Valid until November 29, 2011
28.	Registration No. BDA/EM/TA3/ Reg./365/civil/2005-2006 for Contractor's Pass Book	Bangalore Development Authority	September 15, 2005	Valid until March 31, 2010
29.	Certificate of enrollment as a Category-I contractor	Karnataka Neeravari Nigam Limited, Government of Karnataka	June 29, 2006	Valid until March 31, 2010
30.	Registration No. 159 of 2007-08 of the PWD Contractors Registration Certificate	Engineer-in-Chief (Civil), Orissa	April 21, 2007	Valid until March 31, 2010
31.	PWD Contractors Registration Certificate No. 85/I of 2004-05 as a category 1-A contractor	Executive Engineer, Elakha City Department, Mumbai	November 3, 2004	Valid until November 2, 2009
32.	Registration No. 1284 as a category 1-A contractor	Executive Engineer, Gosikhurd, Sub-Division, Nagpur, Vidarbha Irrigation Development Corporation	December 21, 2006	Valid until September 30, 2009
33.	Registration No. 402/S/087/[PNJ]/ 2005/1736 as a category A-5 contractor for buildings and roads	Chief Engineer, Public Works Department, Bhopal, Madhya Pradesh	August 25, 2005	Valid until December 6, 2009
34.	Letter No. 2458/2-14/NVDA/[YA]/[SA]/ 04 for registration as a category A-5 contractor	Joint Director, Narmada Valley Development Authority, Bhopal, Madhya Pradesh	November 1, 2004	Valid until October 30, 2009
35.	Letter No. 4213259 as a category A-5 contractor	Chief Engineer, Water Resource Department, Bhopal, Madhya Pradesh	August 26, 2005	Valid until August 25, 2010
36.	Registration No. 19053 - I - BNG	Karnataka Public Works Department, Government of Karnataka	September 1, 2006	Valid until August 31, 2007. The Company is yet to apply for renewal of the registration.
37.	Registration No. 48307071/2002/ Raipur as a category A-5 contractor	Chief Engineer, Public Works Department, Raipur	August 29, 2002	Valid until August 28, 2007. Pursuant to an application dated May 23, 2007, the Company is seeking renewal of the registration.
38.	Licence No. 12809 as a category A-5 contractor	Chief Engineer, Water Resource Department, Raipur	July 30, 2003	Valid until July 29, 2008

S. No.	No./Description of Permit/Licence	Issuing Authority	Date	Comments/ Remarks
39.	Certificate No. NBCC/BD/C2/PQ CONF./ 06/1362 for pre-qualification as a category C-1 contractor in Group G-IV for building and construction works	National Building Construction Corporation Limited, a Government of India Enterprise	July 31, 2006	Valid until September 30, 2007
40.	Certificate No. NBCC/BD/C3/PQ CONF-C2/.06/1985 for pre-qualification as a category C-2 contractor in Group G-III for roads and highways	National Building Construction Corporation Limited, a Government of India Enterprise	September 14, 2006	Valid until September 30, 2007
41.	Certificate of Registration (No.57) under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of up to 33 workers per day at the registered/corporate office	Assistant Commissioner of Labour, Hyderabad (II), Government of Andhra Pradesh	February 6, 2007	Valid until February 5, 2008
42.	Licence No. 89/2006.C1. under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of up to 100 workers per day in respect of the construction of the Elevated Highway project from Silk Board to Electronic City, Bangalore	Assistant Labour Commissioner (Central) & Licensing Office, Bangalore	July 10, 2006	Valid until July 9, 2008
43.	Licence No. L/5/2007 for the employment of up to 200 workers per day in respect of the civil infrastructure work of the Paradip Refinery project, Orissa	Assistant Labour Commissioner - Cum-Licensing Officer, Bhubaneswar	January 23, 2007	Valid until January 22, 2008
44.	Licence under the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1950 for the employment of up to 152 workers per day in respect of the Naogaon-Daboka Road project, Assam	Office of the Registering Officer and Assistant Labour Commissioner (Central), Silchar	March 14, 2007	Valid until March 13, 2008
45.	Licence (No. K-46 (L-145)/2006/E3) under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of up to 500 workers per day in respect of the Married Accommodation Housing project, Kanpur	Licensing Officer and Assistant Labour Commissioner (Central), Kanpur	November 23, 2006	Valid until November 22, 2007
46.	Licence (No. ALC-II/CLA-C-38/04-05) under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of up to 100 workers per day in respect of the Bangalore-Mysore Infrastructure Corridor work in the establishment of Nandi Infrastructure Corridor Enterprises (NICE)	Assistant Labour Commissioner and Registering Officer, Bangalore Division-II, Bangalore	October 11, 2004	Valid until October 10, 2007

S. No.	No./Description of Permit/Licence	Issuing Authority	Date	Comments/ Remarks
47.	Licence No. ALC-2/CLA-C/90/2005-06 under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of up to 100 workers per day in respect of civil works from Mysore Road to Magadi Road in the establishment of the Bangalore Development Authority	Assistant Labour Commissioner, Bangalore Division-II, Bangalore	March 20, 2006	Valid until March 19, 2008
48.	Certificate of Registration (No. G-168) under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of 400-2000 workers per day for excavation, installation and construction work in respect of the Tadipudi Lift Irrigation project	Registering Officer, Government of Andhra Pradesh	April 2, 2005	Valid until April 1, 2008
49.	Licence (No. D/CL/DCL/RRZ/997/05) under the Contract Labour (Regulation & Abolition) Act, 1970 for undertaking building construction work in the establishment of Maytas Hill County Private Limited	Licensing Officer and Deputy Commissioner for Labour, Government of Andhra Pradesh	September 27, 2005	Valid until September 15, 2007
50.	Licence (No. L.07/2007-A/M) under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of up to 100 workers per day in respect of the Trichy-Padalur Link project	Licensing Officer and Assistant Labour Commissioner (Central), Madurai	January 17, 2007	Valid until January 16, 2008
51.	Certificate of Registration (No. LKO.43 (R-3)/2007-RLC under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 for employment of up to 500 workers per day in respect of the Married Accommodation Housing project, Lucknow	Registering Officer & Regional Labour Commissioner (Central), Lucknow	February 9, 2007	Valid until February 8, 2008
52.	Licence (No.GH.46/66//2006-L) under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of up to 100 workers per day in respect of the Dharmatul-Sonapur Road project, Assam	Assistant Labour Commissioner (Central), Guwahati	April 28, 2006	Valid until April 27, 2008
53.	Licence (No.811/ACL/RJY) under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of up to 99 workers per day for construction of an earth dam across Sitapalli Vagu including construction of spill way regulator and construction of head sluice and construction of diversion road for Bhupatipalem Reservoir.	Assistant Commissioner of Labour, Rajahmundry, Andhra Pradesh	May 8, 2007	Valid until March 8, 2008

S. No.	No./Description of Permit/Licence	Issuing Authority	Date	Comments/ Remarks
54.	Licence (No.46/56/2007-E3/E5) under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of up to 150 workers per day for civil and structural works for the construction of compressor stations CS-3 and CS-5 of East West Pipe Line project at Namayaram Village, Nalgonda District Andhra Pradesh for Reliance Engineering Associates Pvt. Ltd.	Licensing Officer under Contract Labour (Regulation & Abolition) Act, 1970 and Assistant Labour Commissioner (Central) Hyderabad, Andhra Pradesh	May 11, 2007	Valid until May 10, 2008
55.	Licence (No.RLCP/46(63)/2007 L) under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of up to 150 workers per day for civil and structural works at Compressor Section 6, Mojgaon-Bashi of East West Pipe Line project at Bashi District, Solapur	Licensing Officer and Regional Labour Commissioner, Pune	June 6, 2007	Valid until June 5, 2008
56.	License (No. 433/RJ/AC/2007) under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of up to 50 workers per day in respect of the road project, Chhattisgarh	Labour Officer, Rajnandgaon, Chhattisgarh	January 22, 2007	Valid until December 31, 2007
57.	License (No.D-34(62)/LIC/2007/ALC) under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of up to 100 workers per day in respect of the four laning of the existing two lane road on NH-58 from Partapur to Daurala, Meerut	Assistant Labour Commissioner (Central), Dehradun	June 13, 2007	Valid until June 13, 2008
58.	License (No.93/2007) under the Contract Labour (Regulation & Abolition) Act, 1970 for the employment of up to 150 workers per day in respect of the civil and structural works for Compressor Station-5 of the EMPL Project at Humnabad, Bidar District, Karnataka	Licensing Officer, Bellary	July 19, 2007	Valid until July 18, 2008

Intellectual Property Related Approvals

- Trademark Registration No.307834 dated December 29, 2004 for the old Maytas logo in class 16, valid for 10 years.
- Trademark Registration No.316319 dated February 12, 2005 for the Maytas name and old logo in class 16, valid for 10 years.
- Trademark Registration No.366640 dated May 7, 2005 for the Maytas name in class 16, valid for 10 years.
- Copyright Registration No. A-62369/2002 dated September 5, 2002 of the Maytas name with the old logo as an artistic work.
- Copyright Registration No. A-63175/2003 dated January 14, 2003 of the work Maytas (name) as an artistic work.
- Copyright Registration No. A-63176/2003 dated January 14, 2003 of the work Maytas (old logo) as an artistic work.

Approvals Applied for but not yet Received

There are no approvals that have been applied for by the Company, which are still pending or have not yet been received.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Company

The Board of Directors has, pursuant to resolution passed at its meeting held on February 10, 2007, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary. The Board pursuant to its resolution dated April 14, 2007 has authorised a committee of its Directors referred to as the IPO Committee to take decisions on behalf of the Board in relation to the Issue. The IPO Committee has approved and authorised the Draft Red Herring Prospectus pursuant to its resolution dated April 25, 2007 and this Red Herring Prospectus pursuant to its resolution dated September 3, 2007.

The shareholders of the Company have, pursuant to a resolution dated March 30, 2007, under Section 81(1A) of the Companies Act, authorised the Issue.

Prohibition by SEBI, RBI or governmental authorities

The Company, the Directors, the Promoters, the directors or person(s) in control of the Promoter or the Promoter Group, the Subsidiaries and the companies in which the Directors are associated as directors, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of the Company, the Subsidiaries, the directors of the Subsidiaries, its Promoters, Associates, Promoter Group Companies or relatives of the Promoters, its Directors and the companies in which the Directors are associated as directors, have been declared as willful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any them in the past and no such proceedings are pending against any of them.

Eligibility for the Issue

The Company is not eligible for the Issue in accordance with Clause 2.2.1 of the SEBI Guidelines.

The Company is eligible to make the Issue in accordance with Clause 2.2.2 of the SEBI Guidelines as explained below:

"An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions (a) and (b) given below:

(a)(i) The issue is made through the book-building process, with at least 50.00% of the issue size being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.

OR

(a)(ii) The "project" has at least 15.00% participation by Financial Institutions/Scheduled Commercial Banks, of which at least 10.00% comes from the appraiser(s). In addition to this, at least 10.00% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded.

AND

(b)(i) The minimum post-issue face value capital of the company shall be Rs. 10 crores (Rs. 100.0 million).

OR

(b)(ii) There shall be a compulsory market-making for at least 2 years from the date of listing of the shares, subject to the following:

(a) Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;

(b) *Market makers undertake to ensure that the bid-ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10.00%;*

(c) *The inventory of the market makers on each of such stock exchanges, as of the date of allotment of securities, shall be at least 5.00% of the proposed issue of the company.)"*

The Company is an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and is, therefore, required to meet both the conditions detailed in sub clauses (a) and (b) of Clause 2.2.2 of the SEBI Guidelines.

- The Company will comply with Clause 2.2.2(a)(i) of the SEBI Guidelines and at least 60% of the Issue is proposed to be allotted to QIBs (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event the Company fails to do so, the full subscription monies shall be refunded to the Bidders.
- The Company will comply with the second proviso to Clause 11.3.5(i) of the SEBI Guidelines; accordingly, not less than 10.00% and 30.00% of the Issue shall be available for allocation to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received.
- The Company will comply with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post-Issue face value capital of the Company shall be Rs. 588.5 million, which is more than the minimum requirement of Rs. 10 crore (Rs. 100.0 million).

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, the Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted in the Issue shall not be less than 1,000, failing which the entire application monies will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15.00% per annum for the period of delay.

Accordingly, the Company is eligible for the Issue under Clause 2.2.2 of the SEBI Guidelines.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, DSP MERRILL LYNCH LIMITED AND JM FINANCIAL CONSULTANTS PRIVATE LIMITED AND THE CO-BOOK RUNNING LEAD MANAGER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE 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 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 AND THE CO-BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, DSP

MERRILL LYNCH LIMITED AND JM FINANCIAL CONSULTANTS PRIVATE LIMITED AND THE CO-BOOK RUNNING LEAD MANAGER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED APRIL 27, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

1. "(I) 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;

(II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY,

WE CONFIRM THAT:

(A) THE DRAFT 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 WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE;

(D) BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID; AND

(E) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Disclaimer from the Company, the BRLMs and the CBRLM

The Company, the Directors, the BRLMs and the CBRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at the Company's instance and anyone placing reliance on any other source of information, including the Company's website www.maytasinfra.com, or the website of any Subsidiary, any Promoter, Promoter Group Company, or of any affiliate or Associate of the Company or its Subsidiaries, would be doing so at his or her own risk.

The BRLMs and the CBRLM accept no responsibility, save to the limited extent as provided in the memorandum of understanding entered into among the BRLMs, the CBRLM and the Company on April 23, 2007, and the Underwriting Agreement to be entered into between the Underwriters and the Company.

All information shall be made available by the Company, the BRLMs and the CBRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither the Company nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not offer, sell, pledge or transfer the Equity Shares of the Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India, including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under 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 applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, 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. 250.0 million and pension funds with minimum corpus of Rs. 250.0 million, and permitted non-residents including FIIs registered with SEBI, Eligible NRIs, multilateral and bilateral development financial institutions, foreign venture capital investors registered with SEBI and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Hyderabad, state of Andhra Pradesh, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company 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 U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, in transactions exempt from the registration requirements of the Securities Act and (ii) outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Each purchaser acquiring the Equity Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

(2) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time the buy order for the Equity Shares was originated and continues to be located outside the United States and has not purchased the Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;

(3) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Equity Shares from the Company or an affiliate thereof in the initial distribution of the Equity Shares;

(4) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S under the Securities Act, or (iii) in accordance with Rule 144 under the Securities Act (if available), or any transaction exempt from the registration requirements of the Securities Act in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

(5) the purchaser is purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act; and

(6) the purchaser acknowledges that the Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with

respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each purchaser acquiring the Equity Shares within the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act will be deemed to have represented and agreed that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

(3) the purchaser (i) is a qualified institutional buyer (as defined in Rule 144A under the Securities Act), (ii) is aware that the sale to it is being made in a transaction not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;

(4) the purchaser is aware that the Equity Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;

(5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S under the Securities Act, or (iii) in accordance with Rule 144 under the Securities Act (if available), or any transaction exempt from the registration requirements of the Securities Act in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

(6) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Equity Shares;

(7) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

(8) the Company shall not recognise any offer, sale, pledge or other transfer of the Equity Shares made other than in compliance with the above stated restrictions; and

(9) the purchaser acknowledges that the Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State) who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Red Herring Prospectus will be deemed to have represented, warranted and agreed to and with each Underwriter and the Company that:

(1) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(2) in the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Equity Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Underwriters has been given to the offer or resale; or (ii) where Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer clause of the BSE

Bombay Stock Exchange Limited (the "BSE") has given vide its letter dated May 17, 2007 permission to this Company to use the BSE's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this company. The BSE does not in any manner:-

i. warrant, certify or endorse the correctness of completeness of any of the contents of this offer document; or

ii. warrant that this Company's securities will be listed or will continue to be listed on the BSE; or

iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (the "NSE"). The NSE has given vide its letter ref.: NSE/LIST/46690-U dated May 21, 2007 permission to the Issuer to use the NSE's name in this offer document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The NSE has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed that the offer document has been cleared or approved by the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus dated April 27, 2007 was filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai–400 051, India.

A copy of this Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC at 2nd Floor, CPWD Building, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad–500 195.

Listing

Applications have been made to the BSE and the NSE for permission to deal in, and for an official quotation of the Equity Shares being offered and sold in the Issue. The BSE will be the Designated Stock Exchange with which the basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company shall forthwith repay, without interest, all monies received from applicants in reliance on the Red Herring Prospectus. If such money is not repaid within eight days after the Company has become liable to repay it (i.e. from the date of refusal or within 10 weeks from the Bid/Issue Closing Date, whichever is earlier), then the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be liable to repay the monies, with interest at the rate of 15.0% per annum on the application monies, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges are taken within seven working days of finalisation of the basis of allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, the legal advisors, the Bankers to the Company and the Bankers to the Issue; and (b) the BRLMs, the CBRLM, the Syndicate Members, the Escrow Collection Bankers and the Registrar to the Issue to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Guidelines, S.R. Batliboi & Associates and Krishna & Prasad, Chartered Accountants, have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Red Herring Prospectus to the RoC.

S.R. Batliboi & Associates and Krishna & Prasad, Chartered Accountants, have given their written consent to inclusion of their report relating to the possible tax benefits accruing to the Company and its shareholders in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Red Herring Prospectus to the RoC.

Expert Opinion

The Company has not obtained any expert opinions.

Issue Related Expenses

The Issue related expenses include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, advertisement expenses and registrar and depository expenses and listing fees. The estimated Issue expenses are as follows:

Activity	Expense (Rs. million)	As a % of Total Issue Expenses	As a % of Issue
Lead management, underwriting and selling commissions	[●][1]	[●]	[●]
Advertising and marketing expenses	[●][2]	[●]	[●]
Printing and stationery	[●][2]	[●]	[●]
Other (Registrar's fees, legal fees, etc.)	[●][2]	[●]	[●]
Total estimated Issue expenses	**[●]**	**[●]**	**[●]**

(1) Will be completed after finalisation of the Issue Price.

(2) Will be completed at the time of filing of the Red Herring Prospectus.

Fees Payable to the BRLMs, the CBRLM and the Syndicate Members

The total fees payable to the Book Running Lead Managers, the Co-Book Running Lead Manager and the Syndicate Members (including underwriting commission and selling commission and reimbursement of their out of pocket expenses) will be as per their engagement letters dated March 26, 2007 and April 23, 2007, respectively, copies of which are available for inspection at the Company's Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CANs/refund orders (or revised CANs, if required), preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the memorandum of understanding among the Company and the Registrar to the Issue dated April 18, 2007, a copy of which is available for inspection at the Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds in any of the modes described in this Red Herring Prospectus or send allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the last five years

The Company has not made any previous public issues (including any rights issues to the public) in the five years preceding the date of this Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the sections "Capital Structure" and "History and Certain Corporate Matters" beginning on pages 17 and 116, respectively, of this Red Herring Prospectus, the Company has not made any previous issues of shares for consideration other than cash.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of the Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the Company's inception.

Companies Under the Same Management

No company under the same management within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issue to the public) during the last three years.

Promise v/s performance

There has been no public issue (including any rights issue to the public) by the Company, any of the Promoter Group Companies, the Subsidiaries or the Associates. For details of the promise versus performance of the group companies, please see the section "History and Certain Corporate Matters" beginning on page 116 of this Red Herring Prospectus.

Outstanding Debentures or Bond Issues or Preference Shares

The Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of the Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The memorandum of understanding among the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 working days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed J. Veerraju, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

6-3-1186/5/A, III Floor
Amogh Plaza, Begumpet
Hyderabad–500 016, India
Tel: +91 40 2340 8100; +91 40 4003 7800; +91 40 4040 9333
Fax: +91 40 2340 1107
Email: cs@maytasinfra.com

Other Disclosures

Except as disclosed in this Red Herring Prospectus, the Promoter Group, the directors of the Promoters or the Promoter Group Companies or the Directors of the Company have not purchased or sold any securities of the Company during a period of six months preceding the date of this Red Herring Prospectus.

Disposal of investor grievances by listed companies under the same management as the Company

There is no listed company under the same management as the Company.

Change in Auditors

There have been no changes in the Company's auditors in the last three years, except as described below:

Name of Auditor	Date of Appointment	Date of resignation	Reasons for change
S.R. Batliboi & Associates	January 24, 2007	N.A.	Appointment of Krishna & Prasad and S.R. Batliboi & Associates, Chartered Accountants as joint auditors

Capitalisation of Reserves or Profits

Apart from the bonus issue dated December 31, 2006, pursuant to which 40 million equity shares of face value Rs. 10 each were allotted to shareholders, the Company has not capitalised its reserves or profits at any time during the last five years. For details of the bonus issue, see the section "Capital Structure" beginning on page 17 of this Red Herring Prospectus.

Tax Implications

Investors that are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the stock exchanges. For details, please refer to Annexure XIV to the Financial Statements beginning on page F-31 of the Red Herring Prospectus.

Revaluation of Assets

The Company has not revalued its assets in the last five years.

Interest of Promoters and Directors

Promoters

B. Teja Raju, SNR Investments and Veeyes Investments are interested parties in any dividend and distributions made by the Company or to the extent of their shareholding in the Company.

The Company's Promoters will also be interested in any future contracts that the Company may enter into with any of the Promoter Group Companies or any company in which our Promoters are directors.

Directors

All the Directors of the Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or any committee thereof. The Directors may also be regarded as interested in the Equity Shares or options under the ESOP 2007, if any, held by or that may be subscribed by and allotted to the companies, firms and trusts, in which they are interested as directors, members, partners and/or trustees.

B. Teja Raju is also interested to the extent of contracts/relationship with the Company. For details, see the section "Related Party Transactions" beginning on page 211 of this Red Herring Prospectus.

Payment or Benefit to Officers of the Company

Except as stated otherwise in this Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given during the preceding two years to any of the Company's officers except the normal remuneration rendered as Directors, officers or employees. Except statutory benefits upon termination of their employment in the Company or superannuation, no officer of the Company is entitled to any benefit upon termination of such officer's employment in the Company or superannuation. None of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of the Company.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of this Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid-cum-Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the Registrar of Companies, the RBI, the FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

From the Company

The Board of Directors has, pursuant to resolution passed at its meeting held on February 10, 2007, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary. The Board pursuant to its resolution dated April 14, 2007 has authorised a committee of its Directors referred to as the IPO Committee to take decisions on behalf of the Board in relation to the Issue. The IPO Committee has approved and authorised the Draft Red Herring Prospectus pursuant to its resolution dated April 25, 2007 and this Red Herring Prospectus pursuant to its resolution dated September 3, 2007.

The shareholders of the Company have, pursuant to a resolution dated March 30, 2007, under Section 81(1A) of the Companies Act, authorised the Issue.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares of the Company including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, see the section "Main Provisions of the Articles of Association" beginning on page 317 of this Red Herring Prospectus.

Mode of Payment of Dividend

The Company shall pay dividends to its shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of each Equity Share is Rs. 10. The Floor Price of Equity Shares is Rs. 320 per Equity Share and the Cap Price is Rs. 370 per Equity Share. At any given point of time there shall be only one denomination of Equity Shares, subject to applicable law.

Compliance with the SEBI Guidelines

The Company shall comply with applicable disclosure and accounting norms specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders of the Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy;

- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, please refer to the section "Main Provisions of the Articles of Association" beginning on page 317 of this Red Herring Prospectus.

Market Lot and Trading Lot

Under Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Guidelines, the trading of the Equity Shares shall be in dematerialised form only. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be in electronic form in multiples of one Equity Share, subject to a minimum Allotment of 18 Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts in Hyderabad, state of Andhra Pradesh, India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted 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 benefits 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 the 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. A fresh nomination can only be made on the prescribed form available on request at the Registered Office of the Company or with the Registrar and transfer agents of the 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 the Board, elect either:

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

Further, the Board may at any time give notice requiring any nominee to choose either to register himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with the Company. Nominations registered with the respective depository participant of the applicant will prevail. If the investors wish to change their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If the Company does not receive a minimum subscription of 90% of the Issue, including devolvement to the Underwriters within 60 days from the Bid/Issue Closing Date, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Company becomes liable to pay the amount, the Company shall pay interest prescribed under Section 73 of the Companies Act.

Application by Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for NRIs and FIIs registered with SEBI or FVCIs registered with SEBI.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/debentures and on their consolidation/ splitting except as provided in our Articles. See the section "Main Provisions of the Articles of Association" beginning on page 317 of this Red Herring Prospectus.

Withdrawal of the Issue

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

ISSUE STRUCTURE

The Issue of 8,850,000 Equity Shares at the Issue Price for cash, aggregating Rs. [●] million. The Issue will constitute 15.04% of the fully diluted post-Issue paid-up capital of the Company.

If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money shall be refunded forthwith. The Issue is being made through a 100% Book Building Process.

	QIBs	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares*	At least 5,310,000 Equity Shares.	Not less than 885,000 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 2,655,000 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Percentage of Issue available for allotment/ allocation	At least 60% of the Issue shall be allotted to QIB Bidders. However, 5% of the QIB Portion shall be available for allocation proportionately 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. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 10% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 30% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Basis of Allocation, if respective category is oversubscribed	Proportionate as follows: (a) 265,500 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) 5,044,500 Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate.
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds Rs.100,000	Such number of Equity Shares so that the Bid Amount exceeds Rs. 100,000	18 Equity Shares

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	18 Equity Shares and in multiples of 18 Equity Shares.	18 Equity Shares and in multiples of 18 Equity Shares.	18 Equity Shares and in multiples of 18 Equity Shares.
Allotment Lot	1 Equity Share and in multiples of 1 Equity Share.	1 Equity Share and in multiples of 1 Equity Share.	1 Equity Share and in multiples of 1 Equity Share.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250.0 million and pension funds with minimum corpus of Rs. 250.0 million in accordance with applicable law.	Eligible NRIs, Resident Indian individuals, HUF (in the name of the *Karta*), companies, corporate bodies, scientific institutions, societies and trusts.	Resident Indian individuals (including HUF in the name of the *Karta* and Eligible NRIs) applying for Equity Shares such that the Bid Amount per individual Bidder does not exceed Rs. 100,000 in value.
Terms of Payment	Margin Amount applicable to QIBs shall be payable at the time of submission of the Bid-cum-Application Form to the Syndicate Members.	Margin Amount applicable to Non-Institutional Bidders shall be payable at the time of submission of the Bid-cum-Application Form to the Syndicate Members.	Margin Amount applicable to Retail Individual Bidders shall be payable at the time of submission of the Bid-cum-Application Form to the Syndicate Members.
Margin amount	At least 10% of Bid Amount.	Full Bid Amount on Bidding.	Full Bid Amount on Bidding.

* Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b) of the SCRR, this is an Issue for less than 25% of the post-Issue capital, therefore, the Issue is being made through a 100% Book Building Process wherein at least 60% of the Issue shall be allotted on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under subscription, if any, in the Non-Institutional and Retail categories, would be allowed to be met with spill-over from any other category or combination of categories at the sole discretion of the Company, in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange. See the section "Issue Procedure" beginning on page 292 of this Red Herring Prospectus.

** 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 the names are in the same sequence in which they appear in the Bid-cum-Application Form.

Withdrawal of the Issue

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

Letters of Allotment or Refund Orders

The Company shall credit each beneficiary account with its depository participant within 15 days of the Bid/Issue Closing Date. Applicants that are residents of 15 cities where clearing houses are managed by the RBI will receive refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where the applicant is eligible to receive refunds through direct credit and RTGS. In the case of other applicants, the Company shall ensure the dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders

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 dematerialised form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
- The Company shall pay interest at 15.00% per annum, if Allotment is not made, refund orders are not dispatched to the applicant or if, in a case where the refund or portion thereof is made in electronic mode/manner, the refund instructions have not been given to clearing members, and/or demat credits are not made to investors within the 15 day time period prescribed above.

The Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on 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 mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Program

BID/ISSUE OPENS ON	**THURSDAY, 27TH SEPTEMBER, 2007**
BID/ISSUE CLOSES ON	**THURSDAY, 04TH OCTOBER, 2007**

Bids and any revision in Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned in the Bid-cum-Application Form except that on the Bid/Issue Closing Date, Bids and any revision in Bids will only be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders and (ii) such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e. Monday to Friday (excluding any public holiday).

The Company, in consultation with the BRLMs and the CBRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

In case of revision in the Price Band, the Bidding Period shall be extended for three additional working days after such revision, subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs, the CBRLM and the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR, this is an Issue for less than 25% of the post-Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allotted on a proportionate basis to QIBs, including up to 5% of the QIB Portion, which 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, subject valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured only through the BRLMs and the CBRLM or their affiliates or Syndicate Members. In case of QIB Bidders, the Company, in consultation with the BRLMs and the CBRLM may reject Bids at the time of acceptance of the Bid-cum-Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In the cases of Non-Institutional Bidders and Retail Individual Bidders, the Company will have a right to reject the Bids only on technical grounds.

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

Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid. The Bidders shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by 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
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs applying on a repatriation basis, FIIs, Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions and other Non-Residents applying on a repatriation basis	Blue

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines.
2. Indian nationals resident in India who are not minors in single or joint names (not more than three).
3. Hindu Undivided Families or HUFs in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals.

4. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue.
5. FIIs registered with the SEBI.
6. State Industrial Development Corporations.
7. Insurance companies registered with the Insurance Regulatory and Development Authority ("IRDA"), India.
8. Provident Funds with a minimum corpus of Rs. 250.0 million and who are authorised under their constitution to invest in equity shares.
9. Pension funds with a minimum corpus of Rs. 250.0 million and who are authorised under their constitution to invest in equity shares.
10. Companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in equity shares.
11. Venture Capital Funds registered with the SEBI.
12. Foreign Venture Capital Investors registered with the SEBI.
13. Indian Mutual Funds registered with the SEBI.
14. Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI Guidelines and regulations, as applicable).
15. Multilateral and bilateral development financial institutions.
16. Trusts registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorised under their constitution to hold and invest in equity shares.
17. Scientific and/or industrial research organisations in India authorised to invest in equity shares.

As per existing regulations, OCBs cannot Bid in the Issue.

Participation by Associates of the BRLMs, the CBRLM and Syndicate Members

The BRLMs, the CBRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs, the CBRLM and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis.

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

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 265,500 Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

In accordance with 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 capital carrying voting rights.

Bids by Eligible NRIs

Bid-cum-Application Forms have been made available for Eligible NRIs at the Registered Office of the Company and with members of the Syndicate.

NRI applicants should note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the Eligible NRI Category. The Eligible NRIs who intend to make payment through the Non-Resident Ordinary (NRO) account shall use the application form meant for Resident Indians (white form).

Bids by FIIs

In accordance with the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of the Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total paid-up capital of the Company or 5% of the total paid-up capital of the Company, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to us, the total FII investment cannot exceed 24% of the Company's total paid-up capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, the Company has not obtained board or shareholders approval to increase the FII limit to more than 24%.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub-account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed on 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.

Associates and affiliates of the Underwriters, including the BRLMs and the CBRLM, that are FIIs or its sub-account may issue offshore derivative instruments against Equity Shares allocated to them in the Issue.

Bids by the SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996, as amended and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended prescribe investment restrictions on Venture Capital Funds and Foreign Venture Capital Investors registered with SEBI. For example, the holding by any individual VCF should not exceed 25% of the corpus of the VCF in one venture capital undertaking. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Pursuant to the SEBI Guidelines, the shareholding of SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company, the BRLMs and the CBRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company, the BRLMs and the CBRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of 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.

Maximum and Minimum Bid Size

a) **For Retail Individual Bidders:** The Bid must be for a minimum of 18 Equity Shares and in multiples of 18 Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. Where the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is given only to Retail Individual Bidders indicating their agreement to the Bid and to purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and is a multiple of 18 Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them under applicable laws. **Under the SEBI Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of the Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Non-Institutional Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at the Cut-off Price.

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 Red Herring Prospectus.

Refund amounts following a permitted withdrawal of a Bid shall be paid in the manner described under paragraph "Payment of Refund".

Information for the Bidder:

1. The Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
2. The members of the Syndicate will circulate copies of the Bid-cum-Application Form to potential investors, and at the request of potential investors, copies of the Red Herring Prospectus.
3. Any investor (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus along with the Bid-cum-Application Form can obtain the same from the Registered Office of the Company or from any of the members of the Syndicate.
4. Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or CBRLM or Syndicate Members or their authorised agent(s) to register their Bids.
5. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the member of the Syndicate. 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. The Company, the BRLMs and the CBRLM shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Red Herring Prospectus to be filed with the RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi) and in one Telugu newspaper with wide circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Schedule XX-A of the SEBI Guidelines, as amended by the SEBI Circular No. SEBI/CFD/DIL/DIP/17/2005/11/11 dated November 11, 2005. The BRLMs, the CBRLM and Syndicate Members shall accept Bids from the Bidders during the Bidding Period in accordance with the terms of the Syndicate Agreement.

2. The Bidding Period shall be for a minimum of three working days and shall not exceed seven working days. Where the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) and in one Telugu newspaper with wide circulation and also by indicating the change on the website of the BRLMs, the CBRLM and at the terminals of the members of the Syndicate. The Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding ten working days.

3. During the Bidding Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.

4. 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 "Bids at Different Price Levels") 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.

5. The Bidder cannot Bid on another Bid-cum-Application Form after Bid(s) 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 in time before the Allotment of Equity Shares in the Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Build up of the Book and Revision of Bids".

6. The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS") for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form.

7. During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bids. 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.

8. Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph "Terms of Payment".

Bids at Different Price Levels

1. The Price Band has been fixed at Rs. 320 to Rs. 370 per Equity Share, Rs. 320 being the Floor Price and Rs. 370 being the Cap Price. The Bidders can Bid at any price within the Price Band in multiples of Re.1 (Rupee One).

2. The Company, in consultation with the BRLMs and the CBRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

3. In case of a revision of the Price Band, the Bidding Period shall be extended for three additional working days, subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two widely circulated national newspapers (one each in English and Hindi) and in one Telugu newspaper with a wide circulation, and also by indicating the change on the website of the BRLMs, the CBRLM and at the terminals of the members of the Syndicate.

4. The Company, in consultation with the BRLMs and the CBRLM, can finalise the Issue 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 up to Rs. 100,000, may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB Bidders or Non-Institutional Bidders and such Bids from QIB or Non-Institutional Bidders shall be rejected.

6. Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at the Cut-off Price shall deposit the Bid Amount based on the cap of the Price Band in the Escrow Account. In the event that the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at the Cut-off Price, the Retail Individual Bidders shall receive the refund of the excess amounts from the Escrow Account in the manner described under the paragraph "Payment of Refund".

7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher cap of the revised Price Band (such that the total amount i.e. the original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at the Cut-off Price), with the members 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. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band before revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

9. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 18 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

Escrow Mechanism

The Company and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders 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 Accounts. The Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Accounts to the Public Issue Account and the Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Account

Each Bidder shall pay the applicable Margin Amount, with the submission of the Bid-cum-Application Form, draw a cheque or demand draft in favour of the Escrow Account of the Escrow Collection Bank(s) (see the section "Issue Procedure - Payment Instructions" beginning on page 306 of this Red Herring Prospectus), and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin

Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide their QIB Margin Amount only to a BRLM or the CBRLM. Bid-cum-Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid-cum-Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account of the Company shall be transferred to the Refund Account on the Designated Date. No later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment, to the Bidders.

Each category of Bidders, i.e. QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of submission of the Bid-cum-Application Form. The Margin Amount payable by each category of Bidders is mentioned under the heading "Issue Structure". Where the Margin Amount applicable to the Bidder is less than 100.00% 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. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be rejected. However, if the applicable Margin Amount for Bidders is 100.00%, the full amount of payment has to be made at the time of submission of the Bid-cum-Application Form.

Where the Bidder has been allocated a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which the Company shall pay interest according to the provisions of the Companies Act for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

1. The members of the Syndicate will register the Bids using the on-line facilities of the BSE and the NSE. There will be at least one on-line connectivity facility in each city where a stock exchange is located in India and where Bids are being accepted.

2. The NSE and the BSE will offer a screen based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate shall upload the Bids until such time as may be permitted by the Stock Exchanges.

3. The aggregate demand and price for Bids registered on electronic facilities of the NSE and the BSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres as well as on the NSE's website at www.nseindia.com and on the BSE's website at www.bseindia.com A graphical representation of consolidated demand and price will be made available at the bidding centres during the Bidding Period.

4. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

   - Name of the Bidder(s). Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid-cum-Application Form;

   - Investor category—Individual, Corporate, QIBs, Eligible NRI, FVCI, FII or Mutual Fund, etc.;

   - Numbers of Equity Shares bid for;

- Bid price;
- Bid-cum-Application Form number;
- Margin Amount paid-upon submission of Bid-cum-Application Form; and
- Depository Participant identification number and client identification number of the demat account of the Bidder.

5. A system generated TRS will be given to the Bidder as proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or the Company.
6. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
7. In case of QIB Bidders, members of the Syndicate also have the right to accept the Bid or reject the Bid. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in this Red Herring Prospectus.
8. The permission given by the NSE and the 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 the BRLMs or the CBRLM are cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the Promoters, the management or any scheme or project of the Company.
9. It is also to be distinctly understood that the approval given by the NSE and the BSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by the NSE or the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and the BSE.

Build Up of the Book and Revision of Bids

1. 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.
2. The book gets built up at various price levels. This information will be available from the BRLMs and the CBRLM on a regular basis.
3. 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.
4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. The Bidder must complete the details of all the options in the 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 complete all the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
5. 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 the original Bid was placed.

6. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only on such Revision Form or copies thereof.

7. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In the case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB Margin, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

8. When a Bidder revises a Bid, the Bidder 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 and obtain the revised TRS, which will act as proof of revision of the original Bid.**

9. Only Bids that are uploaded on the online IPO system of the NSE and the BSE shall be considered for allocation/ Allotment. In the event of a discrepancy of data between the Bids registered on the online IPO system and the physical Bid-cum-Application Form, the decision of the Company, in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange, based on the physical records of Bid-cum-Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLMs and the CBRLM shall analyse the demand generated at various price levels and discuss pricing strategy with the Company.

2. The Company, in consultation with the BRLMs and the CBRLM, shall finalise the Issue Price.

3. The allotment to QIBs will be at least 60% of the Issue, on a proportionate basis and the availability for allocation to Non-Institutional and Retail Individual Bidders will be not less than 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs then the entire application money will be refunded.

4. In case of over-subscription in all categories, at least 60% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, will be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange.

   Under subscription, if any, in the Retail and Non-Institutional categories, would be allowed to be met with spill-over from any other category or combination of categories at the sole discretion of the Company, in consultation with the BRLMs and the CBRLM. However, if the aggregate demand by Mutual Funds is less than 265,500 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.

5. Allotment to Eligible NRIs, FIIs registered with the SEBI or Mutual Funds or FVCIs registered with the SEBI will be subject to applicable laws, rules, regulations, guidelines and approvals.

6. The Company reserves the right to cancel the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment without assigning any reasons whatsoever.

7. In terms of the SEBI Guidelines, QIBs shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

8. The Company, in consultation with the BRLMs and the CBRLM, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids made by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the BRLMs, the CBRLM and the Syndicate Members may enter into an Underwriting Agreement upon finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, the Company will update and file the Red Herring Prospectus with RoC, which then will be termed "Prospectus". The Prospectus will have details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Filing of the Red Herring Prospectus and the Prospectus with the RoC

We will file a copy of the Red Herring Prospectus and the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after receiving final observations, if any, on this Red Herring Prospectus from the SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines, in two widely circulated national newspapers (one each in English and Hindi) and a Telugu newspaper with a wide circulation.

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 and the amount payable by an investor. Any material updates between the date of the Red Herring Prospectus and the Prospectus shall be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs, the CBRLM 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 before the approval of the basis of allocation for the Retail Individual Bidders and Non-Institutional Bidders. However, the investor should note that the Company shall ensure that the instructions by the Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date of Allotment.

(b) The BRLMs, the CBRLM or the members of the Syndicate will then send a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the Bid Amount in full into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Account.

(d) The issuance of a CAN is subject to "Notice to QIBs: Allotment Reconciliation and Revised CANs" as set forth below.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the electronic book, QIBs will 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 physical book prepared by the Registrar. Subject to the 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. Any revised CAN, if issued, will supersede in its entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Public Issue Account and the Refund Account on the Designated Date, the Company will ensure the credit to the successful Bidder(s) depository account. Allotment of the Equity Shares to the successful Bidders shall be within 15 days from the Bid/Issue Closing Date.

(b) As per the SEBI Guidelines, Allotment of the Equity Shares will be only in dematerialised form to the allottees.

(c) Successful Bidders will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

DOs:

(a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;

(b) Ensure that you Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid-cum-Application Form;

(d) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be Allotted in dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(f) Ensure that you have collected a TRS for all your Bid options;

(g) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(h) If your Bid is for Rs. 50,000 or more, ensure that you mention your PAN allotted under the I.T. Act and ensure that you have attached copies of your PAN card or PAN allotment letter with the Bid-cum-Application Form. In case the PAN has not been allotted, mention “Applied for” or “Not Applicable” in the appropriate places and submit Form 60 or Form 61 as the case may be together with permissible documents as proof of address. (See the section “Issue Procedure—Permanent Account Number (PAN)” beginning on page 308 of this Red Herring Prospectus);

(i) Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. Where the Bid-cum- Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum- Application Form; and

(j) Ensure that the Demographic Details are updated, true and correct in all respects.

DON'Ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/revise Bid to a price that is less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid amount in cash, postal order, or by Stockinvest;

(e) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

(g) Do not complete the Bid-cum-Application Form such that the Equity Shares Bid exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;

(h) Do not bid at Bid Amount exceeding Rs. 100,000 for in case of a Bid by a Retail Individual Bidder;

(i) Do not submit the Bid without the QIB Margin Amount, in the case of a Bid by a QIB; and

(j) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORM

Bidders can obtain Bid-cum-Application Forms and/or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

1. Made only on the prescribed Bid-cum-Application Form or Revision Form, as applicable (white, blue or pink).

2. Made in a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, on the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum- Application Forms or Revision Forms are liable to be rejected.

4. Bids from the Retail Individual Bidders must be for a minimum of 18 Equity Shares and in multiples of 18 Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 18 Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them does not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.

6. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of the 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 their 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"). These bank account details would be used for giving refunds to the Bidders. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs and the CBRLM nor the Company shall have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details on the Bid-cum-Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN ON THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. 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 SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR ON THE BID-CUM-APPLICATION FORM.

These Demographic Details will be used for all correspondence with the Bidders including mailing of the refund orders/ ECS credit for refunds/direct credit of refund/CANs/allocation advice/NEFT or RTGS for refunds and printing of Company particulars on the refund order. The Demographic Details given by Bidders in the Bid-cum-Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid-cum-Application Form, the Bidder will be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CAN would be mailed to the address of 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 Bidder in the Bid-cum- Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidder's sole risk and neither the Escrow Collection Bank(s) nor the BRLMs and the CBRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or pay any interest for such delay. **In case of refunds through electronic modes as detailed in this Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.**

Where no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidder's (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.

See also "Bids under Power of Attorney" given below.

Bids by Non-Residents, Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis.

Bids and revisions to Bids must be made:

1. On the Bid-cum-Application Form or the Revision Form, as applicable (blue form), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In the names of individuals, or in the names of FIIs or Foreign Venture Capital Funds registered with the SEBI and multilateral and bilateral development financial institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

3. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

   Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids by NRIs for a Bid Amount of more than Rs. 100,000 would be considered under the Non-Institutional Portion for the purposes of allocation.

   Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the prevailing exchange rate 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 dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which should be furnished in the space provided for this purpose on the Bid-cum-Application Form. The Company will not be responsible for any loss incurred by the Bidder on account of conversion of foreign currency.

It is to be clearly understood that there is no reservation for Non-Residents, Eligible NRIs and FIIs, and all such Bidders will be treated on the same basis as with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Bids under Power of Attorney

In the case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be submitted along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In the 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 therefor.

In the case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In the case of Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250.0 million and pension funds with minimum corpus of Rs. 250.0 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In the case of Bids made by Mutual Funds, venture capital funds registered with the SEBI and FVCIs registered with the 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 therefor.

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 that the Company, the BRLMs and the CBRLM may deem fit.

The Company, in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/allocation advice, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Bid-cum-Application Form instead of those obtained from the Depositories.

PAYMENT INSTRUCTIONS

The Company shall open Escrow Accounts with the Escrow Collection Banks for the collection of the Bid Amount payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue. 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 Accounts

1. The Bidders for whom the applicable margin is equal to 100.00% shall, with the submission of the Bid- cum-Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
2. Where the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
   (a) In the case of Resident QIB Bidders: “Escrow Account—Maytas Infra Limited—Public Issue—QIB R”
   (b) In the case of Non-Resident QIB Bidders: “Escrow Account—Maytas Infra Limited—Public Issue—QIB NR”
   (c) In the case of Resident Retail and Non-Institutional Bidders: “Escrow Account—Maytas Infra Limited—Public Issue—R”
   (d) In the case of Non-Resident Retail and Non-Institutional Bidders: “Escrow Account—Maytas Infra Limited—Public Issue—NR”
4. In the case of Bids by Eligible NRIs applying on a repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of the Non-Resident Bidder bidding on a repatriation basis. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a NRE Account or a FCNR Account.
5. In the case of Bids by Eligible NRIs applying on a non-repatriation basis, the payments must be made by Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application, remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or a FCNR or an NRO Account.
6. In case of Bids by FIIs and FVCIs registered with the SEBI 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 draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a special rupee account.

7. 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.
8. The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders until the Designated Date.
9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account.
10. No later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
11. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/Stockinvest/money orders/postal orders will not be accepted.

Payment by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through Stockinvest will not be accepted in this Issue.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid-cum-Application Forms or Revision Forms. 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 case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all refund payments will be made in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

In this regard, the procedures to be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master document.
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. The addresses of all these applications from the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters, i.e. commas,

full stops, hashes etc. Sometimes, the name, the first line of the address and pin code will be converted into a string for each application received and a photo match will be carried out among all the applications processed. A print-out of the addresses will be made to check for common names. Applications with the same name and same address will be treated as multiple applications.

4. The applications will be scanned for similar DP ID and client identity numbers. In cases where applications bear the same numbers, these will be treated as multiple applications.

5. After the aforesaid procedures, a print-out of the multiple master will be taken and the applications physically verified to tally signatures and also father's/husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

The Company, in consultation with the BRLMs and the CBRLM, reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number ("PAN")

Where a Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. **A copy of the PAN card or PAN allotment letter is required to be submitted with the Bid-cum-Application Form.** Applications without this information and document 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 a case where the sole/first Bidder and joint Bidder(s) is/are not required to obtain a 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 a PAN which has not yet been allotted, each of the Bidder(s) should enter "Applied for" on the Bid-cum-Application Form. Further, where the Bidder(s) has entered "Applied for" or "Not Applicable", the sole/first Bidder and 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 of the Income Tax Rules, 1962), 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 of the Income Tax Rules, 1962), as may be applicable, duly filed along with a copy of any one of the following documents in support of the address: (a) ration card, (b) passport, (c) driving licence, (d) an identity card issued by any institution, (e) copy of an electricity bill or telephone bill showing a residential address, (f) any document or communication issued by any authority of the Central Government, State Government or local bodies showing a residential address, or (g) any other documentary evidence in support of the address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended via a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.**

The Company's right to reject Bids

In case of QIB Bidders, the Company, in consultation with the BRLMs and the CBRLM, may reject Bids provided that the reason for rejecting the Bid shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company will have a right to reject Bids based on technical grounds only. Consequent refunds shall be made as described in this Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount paid does not 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, Equity Shares may be registered in the names of the 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 and insane persons;
5. PAN not stated if Bid is for Rs. 50,000 or more or copy of Form 60 or 61 as applicable or GIR number given instead of PAN and proof of PAN is not attached to the Bid-cum-Application Form;
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 Bidders and QIB Bidders;
10. Bids for a number of Equity Shares, which are not in multiples of 18;
11. Category not ticked;
12. Multiple Bids;
13. In the case of a Bid under power of attorney or by limited companies, corporates, trusts etc., relevant documents are not submitted;
14. Bids accompanied by Stockinvest/money order/postal order/cash;
15. Signature of sole and/or joint Bidders missing;
16. Bid-cum-Application Form does not have the stamp of the BRLMs or the CBRLM or the Syndicate Members;
17. Bid-cum-Application Form does not have the Bidder's depository account details;
18. Bid-cum-Application Form is not delivered by the Bidder within the time prescribed as per the Bid- cum-Application Form and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Form;
19. 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 account number;
20. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
21. Bids by QIBs not submitted through members of the Syndicate;
22. Bids by OCBs;
23. Bids by U.S. residents or U.S. persons excluding "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act or other than in reliance on Regulation S under the Securities Act; and
24. Bids by persons who are not eligible to acquire Equity Shares of the Company under any applicable law, rule, regulation, guideline or approval, inside India or outside India.

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 dematerialised form (i.e. not in the form of physical certificates but fungible statements issued in electronic mode).

In this context, two tripartite agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

(a) an agreement dated June 18, 2007 among NSDL, the Company and the Registrar to the Issue; and

(b) an agreement dated June 8, 2007 among CDSL, the Company and the Registrar to the Issue.

Bidders will be allotted Equity Shares only in dematerialised mode. Bids from any Bidder without relevant 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 the Depository Participants of either 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 on the Bid-cum-Application Form or Revision Form.
3. Allotment to a successful 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 Bid Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.
5. If incomplete or incorrect details are given under the heading "Bidders Depository Account Details' in the Bid-cum-Application Form or Bid Revision Form, it is liable to be rejected.
6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those recorded with his or her Depository Participant.
7. Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
8. The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Contact Person/Compliance Officer or the Registrar to the Issue in the case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

PAYMENT OF REFUND

Bidders should note that on the basis of the 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 Bidder's bank account details including a nine digit Magnetic Ink Character Recognition ("MICR") code. 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 Bidder's sole risk and neither the Company, the Syndicate Members and the Escrow Collection Banks nor the BRLMs and the CBRLM shall have any responsibility and undertake any liability for the same.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS—Payment of refund would be done through ECS for applicants having an account at any of the following 15 centres: Ahmedabad, Bengaluru, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the nine-digit MICR code as appearing on a cheque leaf from the Depository. The payment of refund through ECS is mandatory for applicants having a bank

account at any of the 15 centres named hereinabove, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit or RTGS.

2. NEFT - Payment of refund may be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of the RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The Company, in consultation with the BRLMs and the CBRLM and the Registrar may decide to use the NEFT facility for the payment of refunds as mentioned herein.

3. Direct Credit—Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by the Company.

4. RTGS—Applicants having a bank account at any of the 15 centres detailed above, and whose Bid Amount exceeds Rs. 1.0 million, shall have the option to receive refunds, if any, through RTGS. Such eligible applicants who indicate their preference to receive refunds through RTGS are required to provide the IFSC code in the Bid-cum-Application Form. In the event of failure to provide the IFSC code in the Bid-cum-Application Form, the refund shall be made through the ECS or direct credit, if eligibility is disclosed. Charges, if any, levied by the Refund Bank(s) for the same will be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.

5. 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 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 will be dispatched "Under Certificate of Posting" for refund orders of value up to Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above. Some refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest on refund of excess Bid Amount

The Company shall pay interest at the rate of 15.00% per annum on the excess Bid Amount received if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY AND INTEREST IN CASE OF DELAY

The Company shall ensure dispatch of allotment advice, transfer advice or refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 15 days of the Bid/Issue Closing Date. The Company shall dispatch refunds above Rs. 1,500, 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 use its best efforts to ensure that all steps for completion of the necessary formalities for allotment and trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven working days of the finalisation of the basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, we further undertake that:

- Allotment of Equity Shares only in dematerialised form shall be made within 15 days of the Bid/Issue Closing Date;
- Dispatch refund orders, except for Bidders who have opted to receive refunds through the ECS facility, shall be made within 15 days of the Bid/Issue Closing Date; and

- The Company shall pay interest at 15.00% per annum for any delay beyond the 15 day time period as mentioned above, if allotment is not made or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner, and/or demat credits are not made to investors within the 15 day time period 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 Registrar to the Issue.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Forms or Revision Forms. However, the collection centre of the Syndicate Members 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.

Save and except refunds effected through the electronic mode, i.e. ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres 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".

ALLOTMENT

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this portion are less than or equal to 2,655,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Retail Individual Bidders to the extent of their valid Bids.
- If the valid Bids in this portion are greater than 2,655,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis of not less than 18 Equity Shares and in multiples of 18 Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this portion are less than or equal to 885,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.
- If the valid Bids in this portion are greater than 885,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis of not less than 18 Equity Shares and in multiples of 18 Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

C. For QIB Bidders

- Bids received from QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
  - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
    - (i) If bids from Mutual Funds exceed 5% of the QIB Portion, allocation to Mutual Funds shall be made on a proportionate basis for up to 5% of the QIB Portion.
    - (ii) If the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
    - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to QIB Bidders as set out in (b) below.
  - (b) In the second instance allocation to all Bidders shall be determined as follows:
    - (i) In the event of an oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
    - (ii) Mutual Funds who have received allocation as per (a) above, for less than the number of Equity Shares bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
    - (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

The BRLMs, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Guidelines. The drawing of lots (where required) to finalise the basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Procedure and Time of Schedule for Allotment and demat Credit of Equity

The Issue will be conducted through a "100% book building process" pursuant to which the members of the Syndicate will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on September 27, 2007 and expire on October 04, 2007. Following the expiration of the Bidding Period, the Company, in consultation with the BRLMs and the CBRLM, will determine the Issue Price, and, in consultation with the BRLMs and the CBRLM, the basis of allocation and entitlement to Allotment based on the bids received and subject to confirmation by the BSE/NSE. Successful bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI Guidelines require the 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.

Method of proportionate basis of Allotment

In the event the Issue is oversubscribed, the basis of Allotment shall be finalised by the Company, in consultation with the BRLMs, the CBRLM and 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, the CBRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner. Allotment to Bidders shall be made in marketable lots on a proportionate basis as explained below:

(a) Bidders will be categorised according to the number of Equity Shares applied for 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, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the oversubscription ratio.

(c) The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the oversubscription ratio.

(d) If the proportionate Allotment to a Bidder is a number that is more than 18 but is not a multiple of one (which is the market lot), the decimal will 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 will be rounded off to the lower whole number. Allotment to all Bidders in such categories shall be arrived at after such rounding off.

(e) In all Bids where the proportionate Allotment is less than 18 Equity Shares per Bidder, the Allotment shall be made as follows:

- Each successful Bidder shall be Allotted a minimum of 18 Equity Shares; and
- The successful Bidders out of the total Bidders for a portion shall be determined by the drawing 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 (c) above; and

(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 portion, 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 of Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for the minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

Issue details

Particulars	**Issue details**
Issue size	200 million Equity Shares
Allocation to QIB (at least 60% of the Issue)	120 million Equity Shares
Of which:	
a. Reservation For Mutual Funds, (5%)	6 million Equity Shares
b. Balance for all QIBs including Mutual Funds	114 million Equity Shares
Number of QIB applicants	10
Number of Equity Shares applied for	500 million Equity Shares

Details of QIB Bids

S. No.	Type of QIBs	No. of shares bid for(in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
11.	**Total**	**500**

* A1-A5: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds)

Details of Allotment to QIBs Applicants

Type of QIB	Shares bid for	Allocation of 5% Equity Shares	Allocation of 95% Equity Shares	Aggregate allocation to Mutual Funds
(I)	(II)	(III)	(IV)	(V)
(Number of equity shares in million)				
A1	50	0	11.52	0
A2	20	0	4.60	0
A3	130	0	29.94	0
A4	50	0	11.52	0
A5	50	0	11.52	0
MF1	40	1.2	8.97	9.68
MF2	40	1.2	8.97	9.68
MF3	80	2.4	17.96	20.36
MF4	20	0.6	4.49	5.09
MF5	20	0.6	4.49	5.09
	500	**6**	**114**	**49.99**

Notes:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section entitled "Issue Structure" at page 288 of this Red Herring Prospectus.

2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e. 5%) will be Allotted on a proportionate basis among five Mutual Fund applicants who applied for 200 million Equity Shares in the QIB Portion.

3. The balance 114 million Equity Shares i.e. 120 - 6 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIB Bidders who applied for 500 million Equity Shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).

4. The figures in the fourth column entitled "Allocation of balance 114 million Equity Shares to QIBs proportionately" in the above illustration are arrived at as explained below:

   For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for ´ 114/494

For Mutual Funds (MF1 to MF5) = (No. of shares bid for (i.e. in column II of the table above) less Equity Shares Allotted (i.e. column III of the table above) 114/494

The numerator and denominator for arriving at the allocation of 114 million Equity Shares to the 10 QIBs are reduced by 6 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders

The Company shall credit each Equity Share Allotted to the applicable beneficiary account with its Depository Participant within 15 days of the Bid/Issue Closing Date. Applicants residing at 15 centres where clearing houses are managed by the RBI will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit and RTGS. In the case of other applicants, the Bank shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through the ECS facility. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post informing them about the mode of credit of refund within 15 days of the Closing of Issue.

Undertakings by the Company

The Company undertakes as follows:

- that complaints received in respect of this Issue shall be dealt with expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;
- that the Company shall apply in advance for the listing of Equity Shares;
- that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that the refund orders or Allotment advice to the Non-Resident Bidders shall be dispatched within the specified time; and
- that no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus and the Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Utilisation of Issue proceeds

The Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in Section 73(3) of the Companies Act;
- details of all monies utilised out of the Issue shall be disclosed under an appropriate heading in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Issue, if any, shall be disclosed under the appropriate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

The Company shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association. Certain defined terms used in the Articles of Association are set forth below. All other defined terms used in this section have the meaning given to them in the Articles of Association.

CAPITAL

1. The authorised share capital of the Company shall be as specified from time to time in the Memorandum of Association of the Company. The share capital of the Company shall comprise of equity Shares and/or preference Shares of such amount as may be determined by the Company, from time to time, with power to increase, reduce, sub-divide or to repay the same or divide the same into several classes and to attach thereto any rights and to consolidate or re organise the Shares, and subject to Section 106 of the Act, to vary such rights as may be determined in accordance with the regulations of the Company.

2. Except in so far as otherwise provided as existing capital by the conditions of issue or by these Articles, any capital raised by the creation of new Shares, shall be considered as part of the existing share capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

3. To the event the Company is permitted by Applicable Law to issue non-voting Shares or Shares which have rights attached thereto different from the rights attached to equity Shares or any other kind, class or type of Shares, the Company may, if so authorised by the resolution of the Shareholders under Section 81(1A) of the Act, and other relevant provisions of the Act, issue such Shares upon such terms and conditions and with such rights and privileges attached thereto as thought fit and as may be permitted by Applicable Law.

Increase of Capital

4. The Company may, at a General Meeting, from time to time, by an ordinary resolution, increase its share capital by the creation of new Shares, such increase to be of such aggregate amount and to be divided into Shares of such respective amounts as the resolution shall prescribe. The new Shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe, and in particular, such Shares may be issued subject to the Articles, with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right to vote at a General Meeting in conformity with Section 87 of the Act. Unless otherwise stated, all new Shares of the same class shall rank pari passu with existing Shares of the same class. Whenever the capital of the Company has been increased under the provisions of this Article, the Board shall comply with the provisions of Section 97 of the Act.

Power to Issue Preference Shares

5. Subject to the provisions of the Act, the Company shall have the power to issue or re-issue preference Shares in one or more series which are, at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of such redemption.

Reduction of Share Capital

6. Subject to the provisions of Sections 100 to 104 of the Act, the Company may, at a General Meeting, from time to time, by special resolution, reduce in any manner for the time being authorised by Applicable Law, its share capital.

Sub-division and Consolidation of Shares

7. (1) Subject to the provisions of Section 94 of the Act, the Company may, at a General Meeting, from time to time, by an ordinary resolution, consolidate, sub-divide or cancel its Shares in the following manner:

(a) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

(b) sub-divide its Shares, or any of them, into Shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; or

(c) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the Shares so cancelled. Cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of the share capital within the meaning of the Act.

(2) Whenever the Company shall do any one or more of the things provided for in the foregoing Article 11(1)(a), (b) and (c), the Company shall, within thirty (30) days thereafter give notice thereof to the Registrar of Companies specifying, as the case may be, the Shares consolidated, divided, sub-divided or cancelled.

Modification of Rights

8. (1) Whenever the share capital, by reason of the issue of preference Shares or otherwise is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourths of the issued capital of that class or with sanction of a special resolution passed at a general meeting of the holders of the Shares of that class, and all the provisions hereafter contained as to a General Meeting shall mutatis mutandis apply to every such meeting. This Article shall not derogate from any power the Company would have if this Article was omitted.

(2) The rights conferred upon the holders of the Shares (including preference Shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further Shares ranking pari passu therewith.

Buy Back of Shares

9. The Company may buy back any number of its issued and outstanding Shares and any other Securities, subject to such limits, upon such terms and conditions and subject to such approvals as may be required by Applicable Law.

Commission on Issue of Shares

10. (1) Subject to the terms of Section 76 of the Act, the Company may exercise the powers of paying commissions on issue of Shares.

(2) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.

(3) The Company may also, on any issue of Shares, pay such brokerage as may be lawful.

SHARES AND CERTIFICATES

Further Issue of Shares

11. Where it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued capital or out of the increased share capital then:

    (1) Such further Shares shall be offered to the persons who at the date of the offer, are holders of the equity Shares of the Company, in proportion, as near as circumstances admit, to the capital paid-up on those Shares at the date.

    (2) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than thirty (30) days from the date of the offer, and the offer if not accepted, will be deemed to have been declined.

    (3) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to such person in favour of any other person, and the notice referred to in Article 15(2) above shall contain a statement of this right, provided that, the Board may decline to allot any Shares to any person in whose favour any Shareholder may renounce the Shares offered to such Shareholder, including, without limitation, due to any restriction under Applicable Law.

    (4) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that such person declines to accept the Shares offered, the Board may dispose off them in such manner as they think most beneficial to the Company.

12. Notwithstanding anything contained in Article 15 above, the further Shares aforesaid may be offered to any person in any manner whatsoever:

    (1) if such offer is authorised by a special resolution passed by the Company in a General Meeting; or

    (2) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting including the casting vote, if any, of the Chairperson) by the Shareholders who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Shareholders, so entitled and voting, and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

13. Nothing in Article 15(3) above shall be deemed:

    (1) to extend the time within which the offer should be accepted; or

    (2) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the relevant Shares.

14. Nothing in Article 15 shall apply to the increase in the subscribed capital of the Company caused by the exercise of an option attached to any debentures issued or loans raised by the Company:

    (1) to convert such debentures or loans into Shares; or

    (2) to subscribe for Shares (whether such option is conferred in these Articles or otherwise).

    Provided that the terms of the issue of such debentures or the terms of such loans include a term providing for such option and such terms:

    (a) have either been approved by the Central Government before the issue of the debentures or the raising of the loans, or is in conformity with the rules, if any, made by the Central Government in this behalf; and

    (b) in the case of debentures or loans other than debentures issued to, or loans obtained from, the Central Government or any institution specified by the Central Government in this behalf, have also been approved by a special resolution passed by the Company in a General Meeting before the issue of the debentures or the raising of the loans.

Inequality in Number of New Shares

15. If, owing to any inequality in the number of new shares to be issued, and the number of Shares held by Shareholders entitled to have the offer of such new shares, any difficulty arises in apportionment of such new shares or any of them, among the Shareholders, such difficulty shall, in the absence of any direction in the resolution creating or issuing the shares of the Company in the General Meeting, be determined by the Board.

Shares at the Disposal of the Board

16. Subject to the provisions of Section 81 of the Act and these Articles, the Shares for the time being shall be under the control of the Board which may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount and at such time as it may from time to time deem fit and with the sanction of the Company in a General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares which may so be allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid Shares. Notwithstanding the foregoing, the option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.

Issue of Certificates; Register of Members

17. (1) Each Shareholder shall be entitled, without payment, to one or more certificates in marketable lot, for all the Shares of each class or denomination registered in the name of such Shareholder, or if the Board so approves (upon paying such fee as the Board may from time to time determine), to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may prescribe or approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be required to issue more than one certificate and delivery of a certificate of Shares to one of several joint holders shall be sufficient delivery to all such holders.

(2) Notwithstanding anything contained herein, the Company shall be entitled to dematerialise, pursuant to the provisions of the Depositories Act, its Shares, debentures and other Securities, and offer Securities for subscription in dematerialised form.

(3) The Company shall be entitled to maintain a Register of Members with the details of Members holding Shares in physical form or in any media as permitted by Applicable Law including any form of electronic media. The Register of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be the Register of Members.

(4) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of Shares or whose name appears as the Beneficial Owner of Shares in the records of the Depository as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim or interest in such share on the part of any other person whether or not it, shall have express or implied notice thereof.

(5) The Company shall be entitled to maintain in any state or country outside India a branch register of Shareholders or debenture holders resident in that state or country.

Issue of New Certificates

18. (1) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, then upon production and surrender of the relevant share certificates to the Company, new certificates may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding Rs. 2 (Rupees Two) for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares.

(2) Notwithstanding Article 22(1), the Board shall comply with provisions of Applicable Laws including the rules or regulations or requirements of any stock exchange, the rules made under the Act and the rules made under Securities Contracts (Regulation) Act, 1956, as amended.

(3) The provisions of this Article shall mutatis mutandis apply to any Securities of the Company.

Board may Refuse to Register Transfer

19. Subject to the provisions of Section 111A of the Act and any listing agreement entered into with recognised stock exchanges, the Board may, at its absolute discretion and by giving reasons, decline to register or acknowledge any transfer of Shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company, but in such cases, the Board shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer, provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person(s) indebted to the Company on any account whatsoever except when the Company has a lien on the Shares. Transfer of Shares or debentures shall not be refused solely for the reason that the relevant Shares are not in marketable lots.

Form or Instrument of Transfer

20. (1) The instrument of transfer shall be in writing and the provisions of Section 108 of the Act in respect of transfer of Shares and registration thereof shall be duly complied with.

(2) In the case of transfer of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic form, the provisions of the Depositories Act shall apply.

Payment in Anticipation of Call may Carry Interest

21. (1) The Board may, if it deems fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Board agrees upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.

(2) The concerned Member shall not be entitled to any voting rights in respect of the moneys so paid by such Member until the same would but for such payment, become presently payable.

(3) The provisions of this Article shall mutatis mutandis apply to the calls on any Securities of the Company.

Calls on Shares

22. (1) The Board may, from time to time, make calls upon the Members in respect of any moneys unpaid on the Shares held by them.

(2) Each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on such Member's Shares.

(3) A call may be revoked or postponed at the discretion of the Board.

23. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.

24. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

25. (1) If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at five per cent (5%) per annum or at such lower rate, if any, as the Board may determine.

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

26. (1) Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

27. The Board:

(1) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the moneys uncalled and unpaid-upon any Shares held by such Member; and

(2) upon all or any of the moneys so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in a General Meeting shall otherwise direct, six per cent (6%) per annum, as may be agreed upon between the Board and the Member paying the sum in advance.

Forfeiture of Shares

28. If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on such Member requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

29. The notice aforesaid shall:

(1) name a further day (not being earlier than the expiry of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(2) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.

30. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

31. (1) A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(2) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

32. (1) A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to 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.

(2) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares.

33. (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

(2) The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of.

(3) The transferee shall thereupon be registered as the holder of the Share.

(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall such transferee's title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

34. 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, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Company's Lien on Securities

35. The Company shall have a first and paramount lien upon all the Securities (other than fully paid-up Securities) registered in the name of each Security holder (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Securities and no equitable interest in any Security shall be created except upon the basis and condition that this Article will have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Securities. The Board may at any time declare any Securities wholly or in part to be exempt from the provisions of this Article.

Term of Issue of Securities

36. Any Securities may be issued by the Company at a discount, premium or otherwise and may be issued by the Company on condition that they may be converted into Shares of any denomination and with privileges and conditions with respect to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at General Meetings and appointment of Directors.

Share Warrants

37. The Company may issue Share warrants subject to, and in accordance with, the provisions of Sections 114 and 115 of the Act. The Board may in its discretion, with respect to any Share which is fully paid-up, on application in writing signed by the person registered as holder of the Share, and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) with respect to the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a Share warrant.

38. (1) The bearer of a Share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of two clear days from the time of deposit, as if the depositor's name were inserted in the Register of Members as the holder of the Shares included in the deposited warrant.

(2) Not more than one person shall be recognised as the depositor of the Share warrant.

(3) The Company shall, on two (2) days' written notice, return the deposited Share warrant to the depositor.

39. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a Share warrant, sign a requisition for calling a meeting of the Shareholders of the Company, or attend, or vote or exercise any other privilege of a Shareholder at a meeting of the Shareholders of the Company, or be entitled to receive any notices from the Company.

(2) The bearer of a Share warrant shall be entitled in all other respects to the same privileges and advantages as if such person were named in the Register of Members as the holder of the Shares included in the warrant, and such person shall be a Shareholder of the Company.

40. The Board may, from time to time, make rules as to the terms on which (if it deems fit) a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Power to Borrow

41. The Board may, from time to time, and at its discretion, subject to the provisions of Section 58A, 292, 293 and 370 of the Act and of these Articles, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow moneys, either from the Directors, their friends and relatives or from others for the purposes of the Company and or secure the payment of any such sum or sums of money, provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from the temporary loans obtained from the Company's bankers in ordinary course of business) and remaining outstanding and un-discharged at that time exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company in a General Meeting by an ordinary resolution. The Board may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by receiving deposits, issue of bonds, debentures perpetual, redeemable, debenture stock, or any security of the Company or by mortgage or charge or other security upon all or any part of the property or undertaking of the company (both present and future), including its uncalled capital for the time being; provided that the Board shall not give any option or right to any person for making calls on the Shareholders of the Company in respect of the amount unpaid for the time being on the Shares held by them, without the previous sanction of the Company in a General Meeting.

DIRECTORS AND OFFICERS

Number of Directors

42. Unless otherwise determined by the Company in a General Meeting, and subject to the provisions of the Act, the Board shall consist of no more than twelve (12) Directors or such maximum number of Directors as may be prescribed in the Act.

Qualification Shares

43. It shall not be necessary for any Director to hold any qualification Shares in the Company.

Additional Directors

44. The Board shall have power at any time, and from time to time, to appoint one or more persons as additional directors ("**Additional Directors**") provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed by Article 47. An Additional Director so appointed shall hold office up to the date of the next annual general meeting and shall be eligible for re-election by the Company at that meeting.

Alternate Directors

45. In the event that a Director is absent for a continuous period of not less than three (3) months from the state in which the meetings of the Board of Directors are ordinarily held (an "**Original Director**"), the Board shall appoint another Director (an "**Alternate Director**") for and in place of the Original Director. The Alternate Director shall vacate office if and when the Original Director returns to the state in which meetings of the Board are ordinarily held. Upon the appointment of the Alternate Director, the Company shall ensure compliance with the provisions of the Act, including filing of necessary forms with the Registrar of Companies. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director's absence.

Retirement of Directors

46. Not less than two-thirds of the total number of Directors shall be liable to retire by rotation. One-third of the Directors shall automatically retire every year at the annual general meeting and shall be eligible for re-appointment. The Directors to retire by rotation shall be decided based on those who have been longest in office, and as between persons appointed on the same day, the same shall be decided by mutual agreement or by draw of lots. The Managing Director shall not be liable to retire by rotation so long as he holds the office of the Managing Director.

Casual Vacancy

47. If a Director appointed by the Company in a General Meeting vacates office as a Director before such Director's term of office will expire in the normal course, the resulting casual vacancy may be filled by the Board, at a meeting of the Board, but any person so appointed shall retain office only for so long as the vacating Director would have remained in office.

Directors' Fees

48. (1) The Directors may, subject to applicable restrictions if any, under Applicable Law, be remunerated separately for the performance of special or executive duties approved from time to time by the Board.

(2) Notwithstanding anything contained herein, the non-executive Directors shall be paid such sitting fees for each meeting of the Board, Committee attended by such non-executive Directors as may be determined by the Board of Directors from time to time within any limits that may have been prescribed under Applicable Laws for payment of sitting fees.

(3) All Directors shall be entitled to be paid or reimbursed their reasonable travelling, accommodation and subsistence expenses incurred in attending meetings of the Board or any committees of the Board or in the discharge of their duties as Directors.

49. Subject to the provisions of the applicable provisions of the Act, if any, and observance and fulfilment thereof and subject to any restrictions imposed by the Articles, no Director shall be disqualified by virtue of holding the office of Director from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relationship thereby established, but the nature of such Director's interest must be disclosed by such Director as provided by the Act.

50. A Director of the Company may be, or become, a director of any company promoted by the Company, or in which it may be interested as a vendor or shareholder and, subject to the provisions of the Act and these Articles, no such Director shall be accountable for any benefits received as a director or shareholder of such company.

51. Subject to any applicable provisions of the Act and subject to the approval of the Shareholders in a General Meeting, the Company may make loans to, or give any guarantee or provide any security in connection with, a loan made by any other person to Directors.

Place and Calling of Board Meetings

52. Board meetings shall be held at such places, as the Board may determine and failing any such determination at the Company's corporate office in Hyderabad. Board meetings shall be held at least once every three (3) months and at least four (4) times in each year with a maximum gap of four (4) months between any two meetings. Any Director may call a meeting of the Board. Unless the requirement of notice is waived by all the Directors, fourteen (14) calendar days' written notice (or such shorter period as all the Directors may agree) of Board meetings shall be given to all Directors. Each notice of a meeting of the Board shall be accompanied by an agenda specifying in reasonable detail the matters to be discussed at such meeting. Notices and minutes of Board meetings shall be given to each Director at their last known address, whether resident in India or outside India.

Decisions by Majority Vote

53. Except as otherwise provided in the Act, all decisions of the Board shall be taken by a majority of the Directors present and voting at a meeting of the Board, or as the case may be, the Directors voting by way of a circular resolution.

Resolution by Circulation

54. Subject to the provisions of the Act, resolutions of the Board may be passed by circulation, if the resolution has been circulated in draft, together with necessary papers, if any, to all the Directors, then in India or outside India, and has been signed by a majority of the Directors. Such resolutions may be signed by the Directors in counterparts.

Chairperson and Vice Chairperson of the Board

55. The Chairperson and the Vice Chairperson of the Board shall be appointed by the Board. The Chairperson of the Board shall preside as chairperson of each meeting of the Board at which the Chairperson is present and in the Chairperson's absence the Vice Chairperson shall preside as Chairperson of the meeting. In the absence of the Chairperson and the Vice Chairperson, the Directors attending the meeting shall elect a Director from among themselves to chair the meeting. In the event of any equality of votes, the chairperson of the meeting shall not have a second or casting vote.

Quorum

56. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in the one-third being rounded off as one), or two directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength, the number of Directors who are not interested, and are present at the meeting, being not less than two, shall be the quorum for such time. In the absence of a quorum, the Board meeting shall be adjourned for a period of seven (7) calendar days with notice to be provided to the Directors within three (3) days of such adjournment unless the Board decides otherwise. If a quorum in accordance with the above requirement is not present at two consecutive meetings, the third meeting shall proceed irrespective of such requirement.

Attendance by Consultants, Advisers and Non Voting Attendees

57. The Board may, at its absolute discretion, authorise or request auditors, consultants, advisers and employees of the Company or any other person to attend and speak at meetings of the Board. However, such persons shall not have a right to vote.

Appointment of Committees

58. The Board may, subject to the provisions of the Act, these Articles and other relevant provisions of Applicable Laws, delegate any of the powers other than the powers to make calls and to issue any Securities to such committee or committees and may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to the person or purposes, but every committee of the Board so formed shall, in exercise of the powers so delegated, conform to any regulation or direction that may from time to time be imposed on it by the

Board. All acts done by any such committee of the Board in conformity with such regulations or directions and in fulfilment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.

Powers of the Board

59. Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and do all such acts and things, as the Company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or by the Memorandum of Association or these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum of Association or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in a General Meeting.

60. No regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

Managing Director; Whole time Director

61. (1) The Board shall be entitled to appoint persons with requisite qualifications as the Managing Director and the Whole time Director. The Board may delegate such powers as it deems appropriate for managing the day-to-day operations of the Company to the Managing Director, Whole time Director and/or a committee on such terms as the Board deems appropriate. The exercise of powers of management by the Managing Director, Whole time Director and any committee shall be subject to the overall supervision of the Board.

(2) The appointment of the Managing Director and Whole time Director shall be made in accordance with and subject to the provisions of the Act. The Managing Director and the Whole time Director shall be paid such remuneration (including bonus and commissions) as shall be approved at a General Meeting from time to time.

GENERAL MEETING

62. An annual general meeting of the Shareholders shall be held in each calendar year within six (6) months following the end of the previous accounting year of the Company.

63. All General Meetings other than the annual general meeting shall be called extraordinary General Meetings.

64. Subject to Sections 190 and 219 of the Act, any General Meeting may be called by giving to the Shareholders not less than twenty one (21) days notice or a shorter notice than twenty one (21) days if consent thereto is given by Shareholders in accordance with the provisions of Section 171 of the Act.

Quorum for General Meeting

65. The quorum for a General Meeting shall be the presence in person of at least five (5) Shareholders.

66. If within half an hour from the time appointed for holding a meeting of the Company a quorum is not present, the General Meeting shall be adjourned by the Shareholders present for a period of seven (7) calendar days. If a quorum in accordance with the above requirement is not present at two consecutive meetings, the third meeting shall proceed irrespective of such requirement. Notwithstanding the foregoing, if within half an hour from the time appointed for holding a meeting called by requisition of the Shareholders a quorum is not present, such General Meeting called by requisition of the Shareholders shall stand dissolved.

Chairperson of General Meeting

67. The Chairperson of the Board shall act as the Chairperson of the General Meetings. In the absence of the Chairperson of the Board, or if the Chairperson of the Board is unwilling to act as the Chairperson of any General Meeting, the Vice Chairperson of the Board shall act as the Chairperson of such General Meeting. If at any General Meeting of the Shareholders, neither the Chairperson nor the Vice Chairperson is present within fifteen (15) minutes of the time

appointed for holding such meeting, or is unwilling to act as the Chairperson of such meeting, the Directors present shall choose another Director to act as Chairperson, and if no Director is also present at the meeting, or if none of the Directors present at the meeting is willing to act as the Chairperson, the Shareholders present shall choose one of their members to act as the Chairperson of such meeting.

Voting at Meeting

68. At any General Meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of the Act. Unless a poll is so demanded, a declaration by the Chairperson that such resolution has, on a show of hands, been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without requirement of any proof of the number of proportion of the votes cast in favour of or against that resolution.

Decision by Poll

69. If a poll is duly demanded, it shall be taken in such manner as the Chairperson directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

70. Any business other than that upon which a poll has been demanded may proceed, pending the taking of the poll.

Vote of Shareholders

71. (1) On a show of hands, every Shareholder holding equity Shares and present in person shall have one vote.

(2) On a poll, each Shareholder shall have voting rights in proportion to its share of the paid up equity share capital.

(3) On a poll, a Shareholder having more than one vote, or its proxy or other person entitled to vote for such Shareholder need not vote all its votes in the same way.

(4) Notwithstanding the foregoing, no Shareholder shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by such Shareholder in respect of Shares held by such Shareholder have been paid.

Postal Ballot

72. Subject to, and in accordance with, the provisions of the Act, the Company may, and in case of resolutions relating to such matters as the Central Government may, by notification, require to be conducted only by Postal Ballot, shall, get such resolutions passed by means of a Postal Ballot, instead of transacting the business in a General Meeting.

Voting by Joint Holders

73. In the case of joint holders the vote of the first named of such joint holder who tenders a vote whether in person or proxy shall be accepted to the exclusion of the votes of other joint holders.

PROXY

74. On a poll, votes may be given either personally or by proxy.

Instrument of Proxy

75. (1) The instrument appointing a proxy shall be in writing under the hand of the appointer or of the appointer's attorney duly authorised in writing or, if the appointer is a company, either under its Common Seal or under the hand of its attorney duly authorised in writing. Any person, whether or not such person is a Shareholder of the Company, may be appointed as a proxy.

(2) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the regis-tered office of the Company not less than forty eight (48) hours prior to the time fixed for the meeting in question, failing which the instrument of proxy shall invalid.

Validity of Proxy

76. A vote given under the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal, or the revocation of the proxy, or of the authority under which the proxy was executed, or transfer of the Shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its registered office before the commence-ment of the meeting, or adjourned meeting, at which the proxy is used.

Corporate Shareholders

77. Any corporation which is a Shareholder of the Company may, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could have exercised if it were an individual Shareholder of the Company.

ACCOUNTS

78. (1) The Board shall cause proper books of account to be maintained under Section 209 of the Act.

(2) Subject to the provisions of Section 209A of the Act, the Board shall also, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the account books of the Company (or any of them) shall be open to the inspection of Shareholders.

(3) Subject to the provisions of Section 209A of the Act, no Shareholder (not being a Director) or other person shall have any right of inspecting any account book or document of the Company except as conferred by law or authorised by the Board or by the Company in a General Meeting.

SECRECY

79. Every Director, manager, auditor, trustee, Shareholder, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board before entering upon its duties, sign a declaration pledging to observe strict secrecy respecting all bonafide confidential information of the Company and its customers and shall by such declaration pledge not to reveal any of the matters which may come to its knowledge in the discharge of its duties, except as required by the Board, or by any General Meeting, or by a court of law, or so far as may be necessary in order to comply with any of the provisions in these Articles and the provisions of the Act.

INDEMNITY

80. Subject to Section 201 of the Act, every officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any bona fide proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act, in which relief is granted to him by the Court.

COMMON SEAL

81. (1) The Board shall provide for the safe custody of the Common Seal of the Company.

(2) The Common Seal shall not be affixed to any instrument except by the authority of resolution of the Board or a committee of the Board authorised by it in that behalf.

(3) Share Certificates will be signed and sealed in accordance with Rule 6 of the Companies (Issue of Shares Certificates) Rules, 1960, as amended. In all other cases, the Common Seal will be affixed in the presence of at least one Director or the Secretary or such other person duly authorised by a resolution of the Board or a committee of the Board who shall attest the same on behalf of the Company.

(4) The Board may authorise the use of Common Seal of the Company in any territory, district or place not situated in India.

AUDIT

Accounts to be Audited

82. Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as herein after set out.

Auditors

83. (1) The Company may, at a General Meeting, remove any Auditor and appoint in its place any other person nominated for appointment by any Shareholder and of whose nomination special notice has been given to the Shareholders, not less than fourteen (14) days before the date of such meeting.

(2) The Company at the annual general meeting each year shall appoint an Auditor to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting and every Auditor so appointed shall be intimated of his appointment within seven (7) days.

(3) Where at an annual general meeting, no Auditor is appointed, the Central Government may appoint a person to fill the vacancy.

(4) The Company shall within seven (7) days of the Central Government's power under sub clause (3) becoming exercisable, give notice of that fact to the Central Government.

(5) The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in a General Meeting.

(6) A person, other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than fourteen (14) days before the meeting in accordance with Section 190 of the Act. The Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accord-ance with the provisions of Section 190 and the provisions of Section 225 of the Act shall also apply in the matter. The provisions of this sub clause shall also apply in respect of any resolution which provides that a retiring Auditor shall not be reappointed.

(7) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

Audited Accounts

84. All accounts of the Company, when audited and approved by a General Meeting, shall be conclusive except as regards any error discovered therein within three (3) months following the approval thereof. Any such error discovered within such three (3) month period shall forthwith be corrected in accordance with the terms of any resolution in respect thereof and such amended accounts shall henceforth be conclusive.

DIVIDENDS AND RESERVES

85. The Company in a General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

86. The Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of the Company.

87. (1) Subject to the provisions of the Act and Applicable Laws, the Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it deems proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, deem proper.

(2) The Board may also carry forward any profits which it may deem prudent not to divide, without setting them aside as a reserve.

88. (1) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid-upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.

(2) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this Article as paid on the Share.

(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.

89. The Board may deduct from any dividend payable to any Shareholder all sums of money, if any, presently payable by such Shareholder to the Company on account of calls or otherwise in relation to the Shares of the Company.

90. (1) Any dividend, interest or other moneys payable in cash in respect of Shares may be paid by cheque or warrant sent through post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct.

(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

91. Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such Share.

92. Notice of any dividend that may have been declared shall be given to the persons entitled to Share therein in the manner mentioned in the Act.

93. No dividend shall bear interest against the Company.

94. (1) Where the Company has declared a dividend but which has not been paid or claimed, or the dividend warrant in respect thereof has not been posted within thirty (30) days from the date of declaration to any Shareholder entitled to the payment of the dividend, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of Maytas Infra Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

(2) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the Fund established under Section 205C(1) of the Act. A claim to any money so transferred to the general revenue account of the Central Government may be preferred to the Central Government by the Shareholders to whom the money is due.

(3) No unclaimed or unpaid dividend shall be forfeited by the Board before the claims become barred by law.

CAPITALISATION OF PROFITS

95. (1) The Company in a General Meeting, may on recommendation of the Board, resolve:

(a) to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise avail-able for distribution; and

(b) to set free such amount for distribution in the manner specified in Article 106(2) among those of its Shareholders who would have been enti-tled thereto (and in the same proportions) if distributed by way of dividend.

(2) Any such amount shall not be paid in cash, but shall be applied, either in or towards:

(a) paying up any amounts for the time being unpaid by such Shareholders on Shares;

(b) paying up, unissued Shares of the Company to be allotted and distributed, credited as fully paid-up, to and among such Shareholders in the proportions aforesaid; or

(c) partly in the way specified in sub clause (a) and partly in that specified in sub clause (b).

(3) The Board shall give effect to any resolution passed by the Company in pursuance of this regulation.

96. (1) In respect of any resolution under Article 106 above, the Board shall make all appropriations and applications of the profits resolved to be capitalised and all allotments and issues of fully paid Shares, if any.

(2) The Board shall have full power to make such provision, as it deems fit, by the issue of fractional certificates or by payments in cash or otherwise, in the case of Shares or Securities becoming distributable in fractions.

(3) Any agreement made by the Company under such authority shall be effective and binding on all such Shareholders.

WINDING UP

97. (1) Subject to the provisions of the Act, and these Articles, if the Company shall be wound up and the assets available for distribution among the Members as such shall not be sufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the Shares held by them respectively. And if in a winding up, the asset available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed among the Members in proportion to the Shares held by them respectively. This clause is, however, without prejudice to the rights or the rights of the holders of Shares issued upon preferential or special terms and conditions.

(2) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the Shareholders, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies, Andhra Pradesh, located at Hyderabad for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company at 6-3-1186/5/A, III Floor, Amogh Plaza, Begumpet, Hyderabad–500 016, India, from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Engagement letter dated March 26, 2007 for appointment of DSPML and JM Financial as the BRLMs.
2. Engagement letter dated April 23, 2007 for appointment of KMCC as a CBRLM.
3. Memorandum of Understanding dated April 23, 2007 among the Company, the BRLMs and the CBRLM.
4. Memorandum of Understanding dated April 18, 2007 between the Company and the Registrar to the Issue.
5. Escrow Agreement dated [●] among the Company, the BRLMs, the CBRLM, the Escrow Collection Banks and the Registrar to the Issue.
6. Syndicate Agreement dated [●] among the Company, the BRLMs, the CBRLM and the Syndicate Members.
7. Underwriting Agreement dated [●] among the Company, the BRLMs, the CBRLM and the Syndicate Members.

Material Documents

1. The Company's Memorandum of Association and Articles of Association, as amended.
2. The Company's certificate of incorporation, as amended for a change of name effective February 9, 2007 and a copy of the special resolution passed in the EGM held on December 30, 2006 towards conversion of the Company into a public limited company.
3. Shareholders' resolutions dated March 30, 2007 authorising the Issue and related matters.
4. Board resolution dated February 10, 2007 authorising the Issue and related matters.
5. Present terms of employment between the Company and the Directors as approved by the Board and the shareholders of the Company.
6. Shareholders' Agreement among NCC, KMC Constructions Limited and Maytas Infra dated April 29, 2004.
7. Shareholders' Agreement among NCC, Gayatri Projects Limited, Western UP Tollway Limited and Maytas Infra dated September 29, 2005.
8. Shareholders' Agreement among NCC, SSJV Projects Private Limited, Himachal Sorang Power and Maytas Infra dated March 1, 2007.
9. Shareholders' Agreement among Soma Enterprises Limited, NCC, Bangalore Elevated Tollway Limited and Maytas Infra dated October 11, 2006.
10. Shareholders' Agreement among KVK Energy & Infrastructure Limited, Maytas Infra and KVK Nilachal Power Private Limited dated November 16, 2006.
11. Shareholders' Agreement between K. Vijay Kumar and Maytas Infra dated September 22, 2005.

12. Shareholders' Agreement among IJM Corporation Bhd., NCC, Gautami Power Private Limited, GVK Power Limited and Maytas Infra dated July 2, 2003.

13. Report of the Auditors, S.R. Batliboi & Associates and Krishna & Prasad, Chartered Accountants, dated August 21, 2007 prepared as per Indian GAAP and mentioned in the Red Herring Prospectus.

14. Copies of annual reports of the Company for the years ended March 31, 2003, 2004, 2005, 2006 and 2007, as applicable.

15. Consent of the Auditors, S.R. Batliboi & Associates and Krishna & Prasad, Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in the Red Herring Prospectus.

16. Consents of the Auditors, the Bankers to the Company, the BRLMs, the CBRLM, the Syndicate Members, the Registrar to the Issue, the Escrow Collection Bank(s), the Banker to the Issue, Legal Advisors to the Company and the Underwriters, the Directors of the Company, the Company Secretary and Compliance Officer, as referred to, in their respective capacities.

17. In-principle listing approval dated May 17, 2007 and May 21, 2007 from the BSE and the NSE, respectively.

18. Tripartite Agreement among NSDL, the Company and the Registrar to the Issue dated June 18, 2007.

19. Tripartite Agreement among CDSL, the Company and the Registrar to the Issue dated June 8, 2007.

20. Due diligence certificate dated April 27, 2007 to SEBI from the BRLMs and the CBRLM.

21. SEBI observation letter No. CFD/DIL/ISSUES/NB/DM/99016/2007 dated July 27, 2007.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All 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, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or guidelines issued, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

R.C. Sinha

B. Teja Raju

P.K. Madhav

C.S. Mohan

Dr. R.P. Raju

SIGNED BY THE CHIEF FINANCIAL OFFICER

V.V.R. Raju

Date: September 19, 2007

Place: Hyderabad