



## RED HERRING PROSPECTUS

Please read Section 60B of the Companies Act, 1956

Dated August 21, 2006

100% Book Building Issue

# ATLANTA LIMITED

(Our Company was incorporated under the name of "Atlanta Construction Company (India) Private Limited" pursuant to a Certificate of Incorporation No. 11-031852 of 1984 dated January 17, 1984. The name was changed to "Atlanta Construction Company (India) Limited" on April 4, 1991 on being deemed a public company under Section 43A (1A) of the Companies Act, 1956. The name was changed to "Atlanta Infrastructure Limited" on February 2, 1997 and to "Atlanta Limited" on December 16, 2004.)

**Registered Office:** 101, Shree Ambashanti Chambers, Opp. Leela Hotel, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059;  
(For details on changes to our Registered Office, please refer to the chapter titled "History and Other Corporate Matters" on page 70 of the Red Herring Prospectus.) Tel: + 91 22 28382929; Fax: +91 22 28382900. **Contact Person:** Mr. Sachin Jain; E-mail: ipo@atlantainfra.com;  
Website: www.atlantainfra.com.

**ISSUE OF 4,300,000 EQUITY SHARES OF RS. 10/- EACH AT A PRICE OF RS. [●]/- PER EQUITY SHARE FOR CASH AGGREGATING RS. [●] MILLION (HEREINAFTER REFERRED TO AS THE "ISSUE"), INCLUDING EMPLOYEE RESERVATION OF 200,000 EQUITY SHARES (HEREINAFTER REFERRED TO AS THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION I.E. 4,100,000 EQUITY SHARES SHALL BE HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE WILL CONSTITUTE 26.38% OF THE POST ISSUE PAID-UP CAPITAL OF THE COMPANY.**

**PRICE BAND: Rs. 130/- TO Rs.150/- PER EQUITY SHARE. THE ISSUE PRICE IS 13 TIMES OF THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 15 TIMES OF 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 National Stock Exchange of India Limited and Bombay Stock Exchange Limited, by issuing a press release and by indicating the change on the websites of the Book Running Lead Managers ("BRLMs") and the terminals of the members of the Syndicate.

This Issue is being made through a 100% Book Building Process wherein upto 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Further, 200,000 Equity Shares shall be available for allocation on a proportionate basis to Employees, subject to valid Bids being received at or above the Issue Price.

### RISK IN RELATION TO FIRST ISSUE

This being the first issue of the Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the shares is Rs. 10/- and the Issue Price is 13 times of the face value at the lower end of the Price Band and 15 times of the face value at the higher end of the Price Band. The Price Band (as determined by the Company, in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares 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 issued in this Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the statements in the chapter titled "Risk Factors" beginning on page x of the Red Herring Prospectus.



### COMPANY'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Bombay Stock Exchange Limited ("BSE") and The National Stock Exchange of India Limited ("NSE"). We have received in-principle approvals for the listing of our Equity Shares pursuant to letter dated April 24, 2006 from BSE and May 4, 2006 and August 10, 2006 from NSE. For purposes of this Issue, BSE is the Designated Stock Exchange.

**The Company has not opted for IPO Grading**

BOOK RUNNING LEAD MANAGER		REGISTRAR TO THE ISSUE	
 <b>KARVY</b> INVESTOR SERVICES LTD	<b>Karvy Investor Services Limited</b> Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034. Tel: + 91 40 23312454 Fax: + 91 40 23374714 Email: mbd@karvy.com Website: www.karvy.com	 <b>KARVY</b> Karvy Computershare Private Limited	<b>Karvy Computershare Private Limited</b> Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034. Tel: + 91 40 23312454 Fax: + 91 40 23311968 E-mail: atlanta_ipo@karvy.com Website: www.karvy.com

### ISSUE PROGRAMME

BID/ISSUE OPENS ON	September 01, 2006 (Friday)	BID/ISSUE CLOSSES ON	September 07, 2006 (Thursday)
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**I. SECTION - GENERAL****A. DEFINITIONS AND ABBREVIATIONS**

<b>Term</b>	<b>Description</b>
“Atlanta Limited”, “Atlanta”, “our Company”, “the Company” and “Issuer”	Unless the context otherwise requires, refers to Atlanta Limited, a public limited company incorporated under the Companies Act.
“we”, “us” and “our”	Unless the context otherwise requires, refers to Atlanta.
Promoter(s)	Unless the context otherwise requires, refers to Mr. Rajhoo Bbarot and Mr. Rikiin Bbarot.
Group/Associate Companies/ Firms/ Ventures	Unless the context otherwise requires, refers to companies / other ventures promoted by our Promoter (s) i.e. Shrikant Studios Private Limited; Atul Raj Builders Private Limited; Ideal Toll Road Investments & Operations Private Limited; and AAP Construction Company

**B. General Conventional Terms**

<b>Term</b>	<b>Description</b>
Articles/ Articles of Association	The Articles of Association of our Company.
Auditors	The statutory auditors of our Company, being M/s. Suresh C. Maniar & Co., Chartered Accountants.
Board of Directors / Board	The Board of Directors of our Company or a Committee thereof.
Companies Act	The Companies Act, 1956, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Director(s)	Director(s) of our Company unless otherwise specified.
Financial Year/ Fiscal/ FY	The period of twelve months ended March 31 of that particular year.
Insurance Act	Insurance Act, 1938, as amended from time to time.
Memorandum/ Memorandum of Association	The Memorandum of Association of our Company.
Non Resident	All eligible Bidders, including NRIs, FIIs registered with SEBI and FVCIs registered with SEBI, who are persons not resident in India as defined under FEMA.
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, each such term as defined under the FEMA (Deposit) Regulations, 2000, as amended.
Registered Office of our Company	101, Shree Ambashanti Chambers, Opp. Leela Hotel, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059
SEBI Guidelines	The SEBI (Disclosure and Investor Protection) Guidelines 2000, as amended from time to time, including instructions, guidelines and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.



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### C. Issue related Terms and Abbreviations

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, allotment of Equity Shares pursuant to this Issue.
Bid	An indication to make an offer, made during the Bidding Period by a prospective investor to subscribe to 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 for this Issue.
Bid/ Issue Closing Date	The date after which the members of the Syndicate will not accept any Bids for this Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional language newspaper.
Bid/ Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for this Issue, which shall be the date notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper.
Bid-cum-Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for allotment in terms of the Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form.
Book Building Process	Book building mechanism as provided under Chapter XI of the SEBI Guidelines, in terms of which this Issue is made.
BRLMs	Book Running Lead Managers to this Issue, in this case being Karvy Investor Services Limited, UTI Securities Limited and SREI Capital Markets 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 Issue Price in the Book Building Process.
Cap Price	The upper end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Cut-off	The Issue Price finalised by our Company in consultation with the BRLMs and it shall be any price within the Price Band. A Bid submitted at the Cut-off Price by a Retail Individual Bidder and Employees under the Employee Reservation Portion is a valid Bid at all price levels within the Price Band.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the Registrar of Companies, Maharashtra, following which the Board of Directors shall allot Equity Shares to successful Bidders.
Designated Stock Exchange	Bombay Stock Exchange Limited (BSE)
Draft Red Herring Prospectus Employee/ Employees (in the Employee Reservation Portion)	<p>The Draft Red Herring Prospectus filed with SEBI on March 21, 2006.</p> <p>All or any of the following:</p> <ol style="list-style-type: none"> <li>a) A permanent employee of our Company;</li> <li>b) A director of our Company (whether a whole-time director, part time director or otherwise); and</li> </ol> <p>An Employee, as used in the context of the Employee Reservation Portion, should be an Indian national, based in India and physically present in India on the date of submission of the Bid-cum-Application Form. Also, such person should be an Employee on the payroll of our Company on the date of filing the Draft Red Herring Prospectus with SEBI.</p>



Employee Reservation Portion	The portion of this Issue being a maximum of 200,000 Equity Shares available for allocation to Employees. Promoters are not eligible to apply for shares in the Employee Reservation Portion.
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each unless otherwise specified in the context thereof.
Escrow Account	Account opened with Escrow Collection Bank(s) and in whose favor the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into among our Company, the Registrar to this Issue, the Escrow Collection Banks and the BRLMs in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected, to the Bidders.
Escrow Collection Bank(s) / Banker (s) to the Issue	The banks, which are registered with SEBI as Banker (s) to the Issue at which the Escrow Account for this Issue will be opened, in this case being ICICI Bank Limited, HDFC Bank Limited, Hongkong and Shanghai Banking Corporation Limited, Deutsche Bank AG, Punjab National Bank and UTI Bank Limited.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
Indian GAAP	Generally accepted accounting principles in India.
Indian National	As used in the context of the Employee Reservation Portion, a citizen of India as defined under the Indian Citizenship Act, 1955, as amended, who is not an NRI.
Issue	The issue of 4,300,000 Equity Shares of Rs. 10/- each fully paid up at the Issue Price aggregating Rs. [●] million.
Issue/ 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.
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date.
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid, being 10% to 100% of the Bid Amount.
Mutual Funds	Means mutual funds registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue other than the Employee Reservation Portion, in this case, being 4,100,000 Equity Shares
Non Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000/-.
Non Institutional Portion	The portion of this Issue being not less than 15% of the Net Issue consisting of 615,000 Equity Shares of Rs. 10/- each aggregating Rs. [●] million, available for allocation to Non Institutional Bidders.
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders receiving allocation who pay less than 100% margin money at the time of bidding, as applicable.
Pay-in-Period	Means:



	<p>(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</p> <p>(ii) with respect to QIBs, whose Margin Amount is 10% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date.</p>
Price Band	The price band of a minimum price (“Floor Price”) of Rs.130/- and the maximum price (“Cap Price”) of Rs. 150/- and includes revisions thereof.
Pricing Date	The date on which our Company in consultation with the BRLMs finalises the Issue Price.
Prospectus	The Prospectus, to be filed with the Registrar of Companies, Maharashtra, containing inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of this Issue and certain other information.
Public Issue Account	Account opened with the Bankers to this Issue to receive monies from the Escrow Account for this Issue on the Designated Date.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount.
QIB Portion	Consists of upto 2,050,000 Equity Shares of Rs. 10/- each aggregating Rs. [●] million being upto 50% of the Net Issue, available for allocation to QIBs. 5% of the QIB Portion i.e. 102,500 equity shares shall be available for allocation on a proportionate basis to Mutual Funds only.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, state industrial development corporations, insurance companies, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million.
Registrar/ Registrar to this Issue	Karvy Computershare Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs) who have Bid for an amount less than or equal to Rs. 100,000/- in any of the bidding options in this Issue.
Retail Portion	Consists of 1,435,000 Equity Shares of Rs. 10/- each aggregating Rs. [●] million, being not less than 35% of the Net Issue, available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid price in any of their Bid-cum-Application Forms or any previous Revision Form(s).
Syndicate	The BRLMs and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into between our Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Member	Karvy Investor Services Limited, UTI Securities Limited, SREI Capital Markets Limited, Karvy Stock Broking Limited.
Transaction Registration Slip/ TRS	The slip or document issued by the Syndicate Members to the Bidders as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.
U.S. GAAP	Generally accepted accounting principles in the United States.



Notwithstanding the foregoing, in the chapter titled “Main Provisions of the Articles of Association of our Company on page [●] of the Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company.

#### D. Abbreviations

Abbreviation	Full Form
AGM	Annual General Meeting.
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
BSE	Bombay Stock Exchange Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
DGFT	Directorate General of Foreign Trade.
DP	Depository Participant.
EGM	Extra Ordinary General Meeting of the shareholders of Atlanta Limited.
EPS	Earnings per Equity Share.
FCNR Account	Foreign Currency Non Resident Account.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued thereunder.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board.
FIs	Financial Institutions.
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GIR Number	General Index Registry Number.
GoI/ Government	Government of India.
HUF	Hindu Undivided Family.
I. T. Act	The Income Tax Act, 1961, as amended from time to time.
I. T. Rules	The Income Tax Rules, 1962, as amended from time to time, except as stated otherwise.
MAPIN	Market Participant and Investor Database
NAV	Net Asset Value.
NRE Account	Non Resident External Account.
NRO Account	Non Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
RBI	The Reserve Bank of India.
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.



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RoC/Registrar of Companies	The Registrar of Companies, Maharashtra, located at Mumbai.
RoNW	Return on Net Worth.
Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India.
SCRA	The Securities Contract (Regulation) Act, 1956, as amended from time to time.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
Stock Exchanges	NSE and BSE
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time.
UoI	Union of India.
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America.

**E. Industry Related Terms**

<b>Term</b>	<b>Description</b>
BOQ	Bill of Quantities
BOT	Build Operate Transfer
BOOT	Build Own Operate Transfer
DGMS	Director General of Mines and Safety
DRE	Dispute Review Expert
Employer	The Government / semi-Government authorities with whom we enter into contracts for our projects.
EMD	Earnest Money Deposit
FRL	Finished Road Level
IN SITU	In place
KVA	Kilo Volt Ampere
LOA	Letter of Acceptance
MMRDA	Mumbai Metropolitan Road Development Authority
MoRTH	Ministry of Road, Transport and Highways
NRRDA	The National Rural Roads Development Agency
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
NOC	No Objection Certificate
PMGSY	The Pradhan Mantri Gram Sadak Yojana
R & D	Research and Development
RCC	Reinforced Concrete Cement
SICOM	SICOM Limited (Formerly known as State Industrial Investment Corporation of Maharashtra Limited)
SSNNL	Sardar Sarovar Narmada Nigam Limited





## PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Unless stated otherwise, the financial information used in the Red Herring Prospectus is derived from our Company's restated financial statements as of and for the years ended March 31, 2002, 2003, 2004, 2005 and 2006, prepared in accordance with Indian GAAP and the Companies Act, 1956 and restated in accordance with SEBI Guidelines, as stated in the report of our Auditors, M/s. Suresh C. Maniar & Co., Chartered Accountants, included in the Red Herring Prospectus.

Our fiscal year commences on April 1 and ends on March 31 of a particular year. Unless stated otherwise, references herein to a fiscal year (e.g., fiscal 2005), are to the fiscal year ended March 31 of a particular year.

In the Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in the Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Companies Act and SEBI Guidelines. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Red Herring Prospectus should accordingly be limited. Our Company has not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on financial data.

Market data used in the Red Herring Prospectus has been obtained from industry publications and internal Company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe market data used in the Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent source.



## II. SECTION - RISK FACTORS

### A. FORWARD-LOOKING STATEMENTS

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

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in laws and regulations relating to the industries in which we operate;
- Increased competition in these industries;
- Change in Government policy with respect to spending on infrastructure in the future;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in technology;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our actual results to differ, see the chapters titled “Risk Factors” “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages x, 51 and 119 of the Red Herring Prospectus respectively. 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 our Company nor the members of the Syndicate, nor any of their respective affiliates have 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, our Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

### B. RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all of the information in the Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Company’s Equity Shares. If any of the following risks occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

#### Internal Risk Factors

- *We will be making an equity investment of Rs. 429.20 million in Balaji Toll Ways Limited, the SPV incorporated for executing the Nagpur-Kondhali four lane BOT Project; the BOT project is not appraised.*
- *Our BOT project is funded by the present IPO and any delay in the same will adversely affect the project.*

**Management Perception:** In case of delay in the present IPO we shall fund the BOT project partly through the internal accruals and balance through debt funds. We have the credibility and strengths to raise resources at short notice to ensure



that project requirements are met without delay. We have already deployed Rs. 0.17 million towards equity share capital and Rs. 12.99 million towards share application money to M/s. Balaji Tollways Limited (BOT Project) and have obtained sanctions aggregating Rs. 1000.00 million towards the debt component.

- ***The equity investment in Balaji Toll Ways Limited, the SPV for executing the Nagpur-Kondhali four lane BOT project will not yield immediate returns to Balaji Toll Ways Limited, the SPV and return to our Company.***

**Management Perception:** Returns from the equity investment will be in the form of dividends for our Company. The toll revenue flow for Balaji Toll Ways Limited, the SPV, will commence from the middle of third year i.e. on completion of the construction period as per the tender document.

- ***The Nagpur-Kondhali four lane BOT project is a toll based project; the success of the project depends upon the traffic and toll collections. Statistics show, some of the Toll based projects have not been successful in India.***

**Management Perception:** A feasibility study on the traffic scenario has been conducted. The project road connects Mumbai and Kolkata through Nagpur. It carries sizable amount of inter-state and intra-state traffic. The road will have an increased flow of traffic, which will directly increase the toll revenue.

- ***Our dependence is more on road projects, which generate approximately 88.95% of our revenues.***

**Management Perception:** We are into business of construction of roads, highways on EPC/BOT basis, and mining operations. We have the necessary expertise in all these areas. Currently the growth in the infrastructure industry is primarily due to the burgeoning number of projects in the road sector. The Government expenditure on road development has increased as roads have been identified as a key sector where the Government intends to invest substantially. As such our Company's focus has been more on the road projects.

- ***The projects are high value contracts. Some of these entail a penalty for delay in completion of the project on time. In case we are unable to meet the performance criteria we shall be liable to pay penalties, which may adversely impact our profitability.***

**Management Perception:** We plan elaborately to execute all our projects before the scheduled time. We have a proven track record of completing work within the stipulated time; eg. We have completed the Udaipur Bypass project in 18.5 months against the stipulated 36 months.

- ***Our contracts are chiefly dependant on timely supply of the requisite raw materials. Shortage in supply of raw materials can delay projects.***
- ***Our business needs substantial working capital and financing in the form of debt and /or equity to meet our requirements.***

**Management Perception:** Like any other business we use a mix of debt and equity to finance our fund requirements. Over the years we have built a healthy relationship with our lenders and we do not envisage any difficulty in obtaining debt for our business needs.

- ***We have not placed orders for the plant & machinery aggregating Rs. 92.49 million aggregating 68.19% of the total value***

**Management Perception:** Our Company has estimated the requirement of plant & machinery aggregating around Rs.135.64 million. Our Company has already received quotations from various suppliers for the machinery. We have placed orders for machinery worth Rs. 43.14 million and orders for the remaining machinery will be placed in due course as per the proposed implementation schedule. The plant and machinery proposed to be acquired are ready for use and can be immediately put to use after procurement. Further, the estimated period of supply from the date of placement of orders or opening of Letters of Credit is between two to six months.

For details of the quotations received and orders placed for purchase of plant and machinery please refer to section titled "Objects of the Issue" on page 23 of the Red Herring Prospectus.

- ***Part of the proceeds of this Issue are proposed to be invested in our real estate business and the same has contributed to less than 25% of our revenues for the last three fiscal years.***

**Management Perception:** Our Company has successfully undertaken real estate projects in the past and the contribution from this segment of business was low in the recent years due to the slowdown in the real estate market. This market is now witnessing growth and we intend to increase our revenues from this segment.



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- ***Our Company earns major revenues from contracts awarded to it by the Central, State Government and their agencies. Any slowdown in Government spending may adversely affect the growth of our Company.***

**Management Perception:** Central Government, State Government, Municipal Corporation and various other agencies have been giving utmost importance to infrastructure development and have increased budgetary allocation and spending on infrastructure projects. For this purpose, special funds, budgetary allocation, external debts have been and are being raised to ensure continued availability of required funds for infrastructure development. Therefore, our Company does not anticipate any slowdown in the infrastructure sector and in fact foresees increased spending in the medium to long term scenario. Our Company has been executing Government contracts since incorporation and is well versed with the modalities and functioning of the Government departments.

- ***The major portion of our Company's revenues from mining is dependent on one company, Mahanadi Coalfields Limited. The loss of business from this company may adversely affect our revenues and profits.***
- ***Our contracts are awarded on competitive bidding process, which may require us to lower our quotes thereby impacting the profit margins.***

**Management Perception:** We normally fix a basic margin for each bid depending on our analysis of the raw material costs, construction expenses, labour, location of the site and the competitors involved. We do not quote below our pre-decided margin.

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

**Management Perception:** We have successfully completed road projects with size ranging from Rs. 800 million to Rs. 1,500 million independently and through joint ventures. Presently projects under execution have been awarded to us individually as well as to joint ventures that we have formed with companies like Gammon India Limited, SREI Infrastructure Finance Limited and PBA Infrastructure Limited. This shows size is not a deterrent. For project owners, size of the contractor is not the crucial criteria. They look into the experience of the contractors in executing similar projects and their financial capabilities. We have a proven track record of quality work, which has enabled us to obtain repeat orders from NHAI. The bid capacity plays an important role in NHAI projects. As on June 30, 2006 our bid capacity is Rs. 11833 million for NHAI projects for a period of 3 years.

A consortium of SREI and ourselves has been awarded the Nagpur-Khondali four lane BOT project. Construction work of value Rs. 1,680 million of construction will be executed by Atlanta Limited.

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

**Management Perception:** Our joint venture partners are industry leaders whose track record is high for completing projects on time. Before entering into any joint venture agreement we thoroughly analyze the prospective venture partners' past performances and credentials.

- ***There is a risk of escalation of cost of raw materials in BOT projects.***

**Management Perception:** In BOT projects estimates of increase in raw material costs are made at the time of bidding for the project. We include certain percentage of cost as escalation in the total project cost based on our past experience. Due to this, some risk is involved in the BOT projects, as there is no provision for reimbursement of actual cost escalation. However, as we have past experience in this industry, we are able to plan effectively and keep the associated risks to a minimum.

- ***Non-maintenance / breakdown of equipment can delay the execution of our projects.***

**Management Perception:** We have our own workshop at Shil Phata, Thane District where the machines are regularly overhauled and repaired by skilled personnel thereby minimising the chances of any break down. At each project site, mechanical divisions are set, wherein regular maintenance and interim repair work is taken up.

- ***Mishandling of machinery and equipment can result in accidents, which may result in a liability for us.***

**Management Perception:** We have a full-fledged team of technical experts at our workshop, who are responsible for the repairs and maintenance of the equipment. Most of the employees and experts at the work shop and project site are well experienced. We have a training program for handling the sophisticated equipment and machinery used in our project sites. These measures minimise chances of mishaps occurring at any project site



- *Our operations may suffer a temporary setback if any of our key managerial personnel were to leave.*

**Management Perception:** We have skilled and experienced personnel who have expertise in their chosen fields. We are a broad-based organization and have strong systems in place to ensure minimal dependence on any single individual. Successful completion of projects is ensured by proper planning, delegation and teamwork.

- *Employee health, safety and regulatory measures are very important in our industry; any negligence can affect our performance.*

**Management Perception:** We take the required precautionary measures for our employees' welfare. Employees are sufficiently covered by Workman Compensation Insurance. We also provide our employees with safety equipment like helmets, boots etc. to ensure their safety while working at project sites.

- *The fund requirement and plans are our estimates and the same has not been appraised by a bank or financial institution.*
- *The covenants in borrowings from banks and financial institutions, among other things, require us to obtain the approval of these banks/institutions for matters such as issuing new securities (debt or equity), change in management, effecting mergers, consolidations, declaring dividends, undertaking material diversification in the business or creating subsidiaries or making certain investments. We cannot assure you that our lenders will provide us with these approvals in the future.*

**Management Perception:** We have obtained No Objection Certificates from our Bankers i.e. State Bank of India, UTI Bank, Central Bank of India, State Bank of Hyderabad, State Bank of Patiala, Bank of India, State Bank of Indore and Punjab National Bank vide their letters dated January 9, 2006, January 30, 2006, February 13, 2006, February 15, 2006, January 30, 2006, January 6, 2006, January 31, 2006 and January 25, 2006 respectively for our proposed public issue. Considering our past record with the bankers, we believe that approvals wherever required for our proposed corporate action programmes, will not be unfairly denied.

- *We have not provided for certain Contingent liabilities, which are as follows*

Rs in Millions

PARTICULARS	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
Bank Guarantees issued in normal course of business	474.04	559.90	863.78	856.25
Disputed Income-tax liability	-	0.30	-	7.86
Disputed Works Contract tax liability	-	1.25	1.07	0.27
<b>Total</b>	<b>474.04</b>	<b>561.45</b>	<b>864.85</b>	<b>864.37</b>

- *Some of our Group Companies have Contingent liabilities, which they have not provided for. The same are as follows:*

Rs in Millions

Sr. No.	Name of the Company	Year ended March 31, 2005
1.	Shrikant Studios Private Limited	-
2.	Atul Raj Builders Private Limited	0.52
3.	Balaji Toll Ways Limited	-
4.	Vaikuntam Realty Private Limited	-
5.	Ideal Toll Road Investments & Operations Private Limited	8.00

- *Our Company has an outstanding amount of Rs. 216.80 million as debtors exceeding more than six months for the year ended March 31, 2006. We have not made any provisions for the same. In case of non-recovery our profitability will get affected.*

**Management Perception:** Out of the total amount outstanding for more than six months, part of this amount is outstanding from our pending claims, for which, arbitration awards have been passed and the same are pending before various Civil



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Courts for final decree. For further details please refer section titled “Outstanding Litigations” beginning on page 125 of the Red Herring Prospectus.

- **The plant & machinery proposed to be purchased include those, which need to be imported and any fluctuation in the exchange rate may have an adverse impact on the cost of the same.**

**Management Perception:** We take a forward cover at the time of placing order / opening of Letter of Credit and as such volatility of foreign exchange fluctuation is taken care of.

- **We are involved in a number of legal proceedings, if decided against us, could impact our income and financial condition.**

Our Company is involved in various legal proceedings, which are pending at various stages of adjudication before the City Courts, High Courts, Labour Courts and various tribunals and also include various arbitration suits. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to establish reserves in our financial statements, which could increase our expenses and our current liabilities. Furthermore, if a claim is determined against us and we are required to pay all or a portion of the disputed amount, it could have a material adverse affect on our results of operations and cash flows. For further information regarding litigation, please refer to the section titled “Outstanding Litigation, Material Developments and Other Disclosures” beginning on page 125 of this Red Herring Prospectus.

Type of Cases	Number of Cases	Amount Involved (Rs. In million) (Approx.)
Criminal Cases	4	Not Ascertainable
Civil Suits	6	464.24
Labour Disputes	4	1.71
Tax Related	7	14.58
Arbitration	13	Not Ascertainable

**As on March 31, 2006, we had contingent liabilities of Rs. 864.37 million. Any determination against us in respect of disputed tax assessments of Rs. 10,919,830 may adversely impact our financial performance.**

As on March 31, 2006, we had contingent liabilities of Rs. 864.37 million, which included Rs. 856.25 million on account of items such as bank guarantees and unexpired letters of credit issued in the normal course of business and Rs. 0.27 million on account of a disputed works contract tax liability. Our contingent liability includes a total tax liability amounting to Rs. 7,855,867/-. For further information regarding tax cases please refer to the section titled “Outstanding Litigation, Material Developments and Other Disclosures” beginning on page 125 of this Red Herring Prospectus. While we expect that no additional liability will arise out of these disputed demands, there can be no assurance that these matters will be settled in our favour or that no further liability will arise out of these demands. Any additional tax liability may adversely impact our financial performance and the price of our Equity Shares.

For further details on the cases mentioned above and other litigations, see section titled “Outstanding Litigations and Material Developments” on page 125 of the Red Herring Prospectus.

- **We have made the following applications for renewal / alteration of name in the following government approvals and the same are pending:**
  - o Application dated December 16, 2005 for renewal of license bearing no. LKO-46 (1-2)/2002/ALC issued under Section 12 (1) of the Contract Labour (Regulation & Abolition) Act, 1970 by the Assistant Labour Commissioner, Lucknow (Prakash-Atlanta Joint Venture).
  - o Application dated December 30, 2005 for renewal of license issued under Section 12 (1) of the Contract Labour (Regulation & Abolition) Act, 1970 by the Assistant Labour Commissioner, Mumbai (MMRDA).
  - o Application dated December 22, 2005 for amendment in registration certificate bearing no. DC/THN/CLA/SSL/Amend/R/2004 issued by the Deputy Commissioner of Labour and signed by our Company undertaking to abide by the Rules and Regulations of Contract Labour (Regulation & Abolition) Act, 1970 (Mumbra).
  - o Application dated March 7, 2005 for renewal of license bearing no. OR-960/EX to possess explosives for use



issued subject to provisions of Explosives Act, 1884 by Chief Controller of Explosives for Plot no.2886, district Khurda, Orissa.

- **Members of our Promoter Group will continue to retain significant control in our Company after this Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.**

Upon completion of this Issue, members of our Promoter Group will beneficially own approximately 70.55 % of our post-Issue Equity Share Capital. As a result, the Promoter Group will have the ability to exercise significant influence over all matters requiring shareholders' approval, including the election of Directors and approval of significant corporate transactions. The Promoter Group will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they are required by applicable laws to abstain from voting. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.

- **We have taken unsecured loans in the past. .**

The details of the unsecured loans taken by us are as follows:

(Rs. in Millions)

PARTICULARS	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year ended 31/03/2006
Fixed Deposit from Public	15.64	37.63	69.37	50.45
Inter Corporate Deposit	6.60	6.90	36.30	79.30
Mobilisation Advance (from Contracting Authorities)	226.03	145.04	176.80	204.01
<b>Total</b>	<b>248.27</b>	<b>189.57</b>	<b>282.47</b>	<b>333.77</b>

Note: Unsecured Loans aggregating to Rs. 17.50 million have been taken from the group companies. We have taken Rs. 10 million from Shrikant Studios Private Limited and Rs. 7.50 million from Atul Raj Builders Pvt Limited.

- **Conflict of interest with the other Group Companies**

We have 6 Group Companies / Partnership Firms viz. Atul Raj Builders Private Limited, Ideal Toll Road Investments & Operations Private Limited, Balaji Tollways Limited, Vaikuntham Realty Private Limited, Ambika Trading Corporation and AAP Construction Company having main objects and business similar to our Company. Interests of these companies may conflict with each other. For more details on the same, please refer to section titled "Financial Information of Group Companies" beginning on page 113 of the Red Herring Prospectus.

- **We have issued Equity Shares in last twelve months and the price of such issuances may be lower than the Issue Price.**

We have made the following allotment of Equity Shares in the twelve months before the date of the Red Herring Prospectus and the price of such issuances may be lower than the Issue Price:

Allottee	Date of Allotment	Issue Price (Rs.)	Number of Equity Shares
Rajhoo Bbarot	September 30, 2005	10	530,000
Bhavna Bbarot	September 30, 2005	10	1,229,200
Rikiin Bbarot	September 30, 2005	10	1,037,700
Rajendra A. Barot (HUF)	September 30, 2005	10	13,000
Ambalal P. Barot	September 30, 2005	10	7,500
Ridhima Doshi	September 30, 2005	10	42,500
Him Realty Private Limited	December 20, 2005	120	250,000
Neol Equity Research Private Limited	January 4, 2006	120	100,000
Essix Biosciences Limited	January 4, 2006	120	100,000
Eden Realty Private Limited	January 4, 2006	120	50,000



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- ***Some of the entities promoted by our Promoters have incurred losses in the last three years.***

Some of the Promoter Group entities have incurred losses in the fiscal years ended March 31, 2005, 2004 and 2003, as stated below:

(Rs. millions)

Promoter Group	Fiscal Year Ended March 31,		
	2005	2004	2003
Shrikant Studios Private Limited	0.05	2.22	(1.69)
Atul Raj Builders Private Limited	(5.47)	(3.10)	(37.07)
AAP Construction Company	(150.33)	(8.09)	(19.25)

- ***The market price of our Equity Shares may be adversely affected by additional issues of equity or equity linked securities by us or by sale of a large number of our Equity Shares by our significant shareholders***

We may finance our growth plans through additional equity offerings. Any future issuance of equity or equity-linked securities by our Company may dilute the shareholding of investors in our Company and could adversely affect the market price of our Equity Shares. Although Equity Shares held by our Promoters are subject to lock-in as per applicable SEBI Guidelines, sales of a large number of our Equity Shares by any significant shareholder after the expiry of the lock-in periods could adversely affect the market price of our Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

- ***Our Company has been accepting deposits from the public***

**Management Perception:** Our Company has been accepting deposits from the public for the past 4 years. So far there have been no instances of delay or default in repayment of the same.

- ***We have issued 2.5 million 25% Non Cumulative Redeemable Preference shares of Rs. 10/- issued at a premium of Rs. 40/- which are redeemable at Rs. 50/- per share after 15 years or at any time at the sole discretion of our company in terms of agreement with the preference shareholders. Early redemption may adversely affect the cash flows of our company.***

- ***Interest of Promoters / Directors other than their normal remuneration and reimbursement for expenses payable to them are as follows:***

Mr. Rajhoo Bbarot and Mrs. Bhavana Bbarot, are interested to the extent of lease rent of Rs. 150,000/- being paid by our Company per month for our Registered Office located at 101, Shree Ambashanti Chambers, Opp. Leela Hotel, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059.

Mr. Rajhoo Bbarot is also interested to the extent of lease rent of Rs. 60,000/- being paid by our Company per month for residence premises provided to Engineers at our premises at Atlanta Manor, Malad.

- ***There has been a delay in commencement of our Schedule for the proposed projects***

There has been a delay in commencement of our proposed projects due to the delay in the IPO process.

### External Risk Factors

1. ***A slowdown in economic growth in India could cause our business to suffer.***

The Indian economy has shown sustained growth over the last few years, on June 30, 2005 estimates of GDP released by the Central Statistical Organization (CSO) has placed the GDP growth at 6.9% during 2004-05: GDP grew by 8.5% in fiscal 2004, 4.0% in fiscal 2003 and 5.8% in fiscal 2002. Industrial growth is estimated to be 8.3% in 2004-05; it was 6.6% in fiscal 2004 compared with 6.2% in fiscal 2003 and 3.5% in fiscal 2002. Any slow down in Indian economy could adversely affect the policy of the Government of India towards infrastructure growth and could adversely affect our financial performance.

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

The role of the Indian central and state governments in the Indian economy on producers, consumers and regulators has remained significant over the years. Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. The present Government of India, which was formed in





May 2004, consists of a coalition of political parties. The withdrawal of one or more of these parties from a coalition government can result in political instability. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our shares. We cannot assure you that these liberalization policies will continue under the newly elected government. Protests against privatisation could slowdown the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the infrastructure sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

**3. *The price of our Equity Shares may be highly volatile.***

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

- a) Volatility in Indian and global securities market;
- b) Our results of operations and performance;
- c) Performance of our competitors and perception in the Indian market about investment in the infrastructure sector;
- d) Adverse media reports on our Company or the Indian infrastructure industry;
- e) Changes in the estimates of our performance or recommendations by financial analysts;
- f) Significant development in India's economics liberalization and de-regulation policies; and
- g) Significant development in India's fiscal and environmental regulations.

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

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

The Issue Price of our Equity Shares will be determined by the Book Building Process. This price will be based on numerous factors (discussed in the section "Basis of Issue Price" on page 32 of the Red Herring Prospectus and may not be indicative of the market price for our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue price. We cannot assure you that you will be able to resell your shares at or above the Issue price. Among the factors that could affect our share price are: quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues; changes in revenue or earnings estimates or publication of research reports by analysts; speculation in the press or investment community; general market conditions; and domestic and international economic, legal and regulatory factors unrelated to our performance.

**5. *Future sales by current shareholders could cause the price of our shares to decline.***

If our existing shareholders sell a substantial number of our Equity Shares in the public market, the market price of our Equity Shares could fall. Sales or distributions of substantial amounts of our shares by existing holders, or the perception that such sales or distributions could occur, could adversely affect prevailing market prices for our shares.

**6. *Our business and activities will be regulated by the Competition Act, 2002 as and when it is notified.***

The Parliament has enacted the Competition Act, 2002 (the "Act") for the purpose of preventing practices having an adverse effect on competition under the auspices of the Competition Commission of India, which has not yet come into force. Under the Act, any arrangement, understanding or action whether or not formal or informal which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement inter alia which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area or market or number of customers in the market is presumed to have an appreciable adverse effect on competition. It is unclear as to how the Act and Competition Commission of India will affect industries in India.

**Notes to Risk Factors**

1. Issue of 4,300,000 Equity Shares of Rs. 10/- each at a price of Rs. [●]/- for cash aggregating Rs. [●] million including Employee Reservation of 200,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- for cash aggregating Rs. [●] million.



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2. The Net Worth of our Company, as per our restated financial statements as at March 31, 2006, is Rs. 657.78 million
3. The average cost of acquisition of Equity Shares by our Promoters/ Promoter Group, is Rs. 8.43/- per Equity Share.
4. Book value of the Equity Shares of our Company, as per our restated financial statements as at March 31, 2006, is Rs. 44.40/- per Equity Share.
5. For details on Related Party Transactions and Loans and Advances made to any company in which our Directors are interested please refer to the section titled “Related Party Disclosures” appearing in chapter titled “Auditor’s Report” beginning on page 85 of the Red Herring Prospectus.
6. Details of Equity Shares purchased / sold by the Promoters:

<b>Name of the Promoter</b>	<b>Allotment of Shares</b>	<b>Purchases</b>	<b>Sales</b>	<b>Final Shareholding</b>
Rajhoo Bbarot	2803200	3500		2806700
Rikiin Bbarot	3095180	876980	10	3972150

7. Investors are free to contact the Compliance Officer and/or BRLMs for any complaints/ information/ clarification pertaining to this Issue. For contact details of the Compliance Officer and BRLMs, please refer to the section titled “General Information” beginning on page 5 of the Red Herring Prospectus.
8. The BRLMs and our Company shall make available all information to the public and investors at large and no selective or additional information would be available only to a section of the investors in any manner whatsoever.
9. Investors are advised to refer to the section titled “Basis of Issue Price” beginning on page 32 of the Red Herring Prospectus before making an investment in this Issue.
10. This Issue is being made through a 100% Book Building Process wherein upto 50% of the Net Issue will be allotted on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
11. In the event of the Net Issue being oversubscribed, the allocation shall be on a proportionate basis to QIBs, Retail Individual Bidders and Non-Institutional Bidders. For details, refer to the chapter titled “Issue Procedure” on page 147 of the Red Herring Prospectus.
11. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue and the proportionate allocation of the same would be done by our Company in consultation with the BRLMs.
12. The name of our Company was changed from “Atlanta Infrastructure Limited” to “Atlanta Limited” on December 16, 2004 as we operate in various sectors like Mining and Real Estate in addition to Infrastructure. The objects clause of our Memorandum was changed on December 16, 2004 pursuant to a resolution under section 142 (a) of the Companies Act.
13. For details of interest of our Promoters, Directors and Key Managerial Personnel please refer to sections titled “Interest of Promoters, Directors and Significant Shareholders” and “Payment or benefit to officers of the Company” appearing in chapter titled “Our Management” beginning on page 74 of the Red Herring Prospectus.



### III. SECTION: INTRODUCTION

#### A. SUMMARY

**This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Red Herring Prospectus, including the information contained in the chapters titled “Risk Factors” and “Financial Statements” and related notes beginning on pages x and 85 of the Red Herring Prospectus before deciding to invest in our Equity Shares.**

#### **Industry**

Construction activity is an integral part of a country’s infrastructure and industrial developments. It includes transportation (highways, roads, ports, railways, airports); power systems; irrigation and agriculture systems; telecommunication; urban infrastructure (water supply, sewage, drainage, hospitals, schools, townships, offices, houses) and other buildings etc. Therefore, construction becomes the basic input for socio-economic development. Besides, the construction industry generates substantial employment and provides a growth impetus to other sectors through backward and forward linkages.

#### *Indian Road Network*

With a total length of approximately 3.3 million kilometres, India has the second largest road network in the world. Roads have played a vital role in transportation and also enhancing trade. The Government has taken initiatives to improve and strengthen the network of National Highways, State Highways and roads in major districts and rural areas. In terms of private sector participation in road projects, the Government has received an encouraging response from private investors, both foreign and domestic.

#### *Mining*

The country has 245,692 million tonnes of coal reserves and 169,941 million tonnes of limestone reserves. The growth in domestic coal production has been very slow - from 30 million tonnes at the time of independence to 73 million tonne at the time of nationalisation in early 1970’s to 355 million tonnes (provisional) in 2003 - 2004 (Source: *Project Monitor dated December 12, 2005*). Thus, there is large potential available for increase in the production of coal with increased participation of private sector. During the recent years, the Government of India has declared a policy of privatising coal blocks. Accordingly, a number of blocks have been made open for the private investors (Source: *The Indian Mining and Engineering Journal, Volume 44 No. 11-12, December 2005*). Keeping in view the opportunities available and experience of our Company in the field of mining, we intend to bid for the coal blocks on privatisation of the same.

#### *Real estate*

India is poised for rapid urbanization, which will lead to major developments in real estate. But the continued demand of quality real estate is yet to be achieved due to shortage of space and funds. The Government, today, has also recognised the vast opportunity being offered by this sector to attract foreign investment and leverage growth. In a landmark legislation, the Indian Government has allowed 100% FDI into the construction sector, thus opening innumerable opportunities for international investors and developers to venture into the country. The legislation is anticipated to inject more than US\$ 1 billion annually into India’s development and construction industry

#### **Business**

Our Company is in the business of construction, realty, infrastructure and mining and our projects extend to 3 states in India. We have maintained continuous progress in terms of expansion. Our Company is competent in infrastructure projects such as highways on EPC/BOT basis, runways; mining and real estate.



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**B. THE ISSUE**

<b>Equity Shares Offered:</b>	
Issue by our Company	4,300,000 Equity Shares aggregating Rs. [●] million.
<b>Of which</b>	
Employee Reservation Portion <sup>(1)</sup>	200,000 Equity Shares aggregating Rs. [●] million.
<b>Net Issue to the Public</b>	4,100,000 Equity Shares aggregating Rs. [●] million.
A) Qualified Institutional Buyers Portion <sup>(2)</sup>	2,050,000 Equity Shares aggregating Rs. [●] million, constituting upto 50% of the Net Issue. 5% of the QIB Portion i.e.102,500 Equity shares shall be allocated proportionately to mutual funds. Mutual fund applicants shall also be eligible for proportionate allocation under the balance available for Qualified Institutional Buyers.
B) Non-Institutional Portion <sup>(2)</sup>	615,000 Equity Shares aggregating Rs. [●] million, constituting not less than 15% of the Net Issue that will be available for allocation to Non-Institutional Bidders.
C) Retail Portion <sup>(2)</sup>	1,435,000 Equity Shares aggregating Rs. [●] million constituting not less than 35% of the Net Issue that will be available for allocation to Retail Individual Bidders.
Equity Shares outstanding prior to the Issue	12,000,000 Equity Shares
Equity Shares outstanding after the Issue	16,300,000 Equity Shares
Use of Proceeds	Please refer to chapter titled “Objects of the Issue” on page 23 of the Red Herring Prospectus for additional information.

<sup>(1)</sup>Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue and the same would be allocated proportionately by our Company in consultation with the BRLMs.

<sup>(2)</sup> Under-subscription, if any, in any of the above categories would be allowed to be met with spillover inter-se from any other categories, by our Company in consultation with the BRLMs.



### C. SUMMARY FINANCIAL DATA

The following table sets forth selected financial information of our Company as of and for the periods ended March 31, 2002, 2003, 2004, 2005 and 2006, all prepared in accordance with Indian GAAP, the Companies Act and restated under the SEBI Guidelines.

You should read the following information together with the information contained in the Auditors' report included in the Section titled "Financial Statements" beginning on page 85 in the Red Herring Prospectus.

#### SUMMARY OF ASSETS AND LIABILITIES AS RESTATED

(Rs. in million)

The assets and liabilities of the company as at 31/03/2002 to 31/03/2006 read together with significant accounting policies after making adjustments as stated in the notes to accounts are set out below:

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
<b>FIXED ASSETS :</b>					
Gross Block	380.09	620.94	690.73	880.87	901.16
Less : Depreciation	107.13	134.75	171.66	217.49	279.27
Net Block	272.96	486.19	519.07	663.38	621.88
Capital Work in Progress	149.97	226.66	583.05	775.04	896.51
Less : Revaluation Reserve	36.58	103.44	102.25	101.07	99.88
<b>Net Block (after adjustment for Revaluation Reserve) (A)</b>	<b>386.34</b>	<b>609.41</b>	<b>999.87</b>	<b>1,337.36</b>	<b>1,418.51</b>
<b>Investments (B)</b>	<b>2.44</b>	<b>9.16</b>	<b>4.28</b>	<b>87.54</b>	<b>103.18</b>
<b>Current Assets, Loans and Advances :</b>					
<b>i) Current Assets</b>					
Inventories					
- Raw Materials	18.91	31.88	36.61	45.14	63.94
- Work-in-Progress	7.16	10.82	16.34	-	-
- Unsold Units (Real Estate Div.)	0.84	-	-	-	-
Unbilled expenditure on contract (including estimated profit)	-	-	-	19.81	400.90
Sundry Debtors	298.81	298.63	255.06	515.08	662.52
Cash and Bank balances	35.09	67.62	67.05	64.86	63.55
Interest Accrued	3.10	5.21	3.59	1.06	1.25
ii) Loans and Advances	165.48	165.91	125.65	132.07	104.57
<b>Total (C)</b>	<b>529.38</b>	<b>580.06</b>	<b>504.29</b>	<b>778.02</b>	<b>1,296.73</b>
<b>Total Assets (D) = (A) + (B) + (C)</b>	<b>918.17</b>	<b>1,198.63</b>	<b>1,508.44</b>	<b>2,202.92</b>	<b>2,818.43</b>
<b>Liabilities &amp; Provisions :</b>					
Secured Loans	281.99	500.45	767.19	1,137.73	1,230.59
Unsecured Loans	204.59	248.27	189.57	282.47	333.77
Deferred Tax Liability	-	45.04	57.70	72.49	74.76
Current Liabilities and Provisions	242.16	211.32	254.09	356.31	521.54
<b>Total Liabilities (E)</b>	<b>728.74</b>	<b>1,005.08</b>	<b>1,268.55</b>	<b>1,849.00</b>	<b>2,160.66</b>



PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
<b>Networth (D) - (E)</b>	189.43	193.55	239.89	353.92	657.78
Networth Represented by					
1. Share Capital	48.30	55.23	68.44	96.40	145.00
2. Reserves & Surplus	177.85	242.10	274.01	358.86	618.24
Less : Revaluation Reserve	36.58	103.44	102.25	101.07	99.88
3. Reserves (net of Revaluation Reserve)	141.26	138.66	171.76	257.80	518.36
4. Misc Expd. (to the extent not written off)	0.14	0.35	0.31	0.28	5.58
<b>Total (1) + (3) - (4)</b>	<b>189.43</b>	<b>193.55</b>	<b>239.89</b>	<b>353.92</b>	<b>657.78</b>

**SUMMARY OF PROFITS AND LOSSES, AS RESTATED**

The Profit and Loss statement of the company for five financial years ended 31/3/2002 to 31/3/2006 read with significant accounting policies, after making certain regroupings for comparability and making adjustments as stated in the notes to accounts are set out below:

*(Rupees in million)*

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
<b>INCOME</b>					
Contract Receipts	261.43	427.43	596.47	806.99	1,071.70
Increase / (Decrease) in Inventories	(1.33)	15.80	10.25	(7.81)	18.80
Other Income	5.02	17.52	14.00	13.57	3.97
<b>Total</b>	<b>265.11</b>	<b>460.76</b>	<b>620.72</b>	<b>812.76</b>	<b>1,094.46</b>
<b>EXPENDITURE</b>					
Operating Costs	144.48	285.91	428.96	516.82	663.64
Employees Costs	21.05	31.20	30.97	43.26	37.90
Administration & Other Expenses	20.19	29.40	23.29	28.93	31.82
<b>Total</b>	<b>185.72</b>	<b>346.52</b>	<b>483.22</b>	<b>589.01</b>	<b>733.36</b>
<b>Operating Profit before Finance Cost, Amortisation cost, Depreciation &amp; Tax</b>	79.39	114.24	137.50	223.75	361.11
Interest & Finance charges	25.17	38.38	45.42	93.03	117.02
Depreciation	26.69	26.01	35.69	53.47	59.75
Preliminary Expenses written off	0.02	0.04	0.04	0.03	0.10
<b>Net Profit before tax</b>	27.53	49.82	56.36	77.22	184.25
<b>Provision for Taxation</b>					
Current Tax	3.42	4.27	10.59	12.48	26.33
Deferred Tax	-	12.66	12.67	14.79	2.27
<b>Net Profit After Tax</b>	24.11	32.89	33.10	49.95	155.65
<b>Add : Balance of Profit brought Forward</b>	111.03	110.23	105.00	108.10	114.14
<b>Net Profit available for appropriation</b>	135.14	143.11	138.10	158.04	269.79
<b>Appropriation as under :</b>					
General Reserve	22.50	35.00	30.00	40.00	100.00
Proposed dividend	2.42	2.76	-	3.43	8.85
Income tax on dividend	-	0.35	-	0.48	1.24
Balance carried to Balance sheet	110.23	105.00	108.10	114.14	159.69
<b>Total</b>	<b>135.14</b>	<b>143.11</b>	<b>138.10</b>	<b>158.04</b>	<b>269.79</b>



## D. GENERAL INFORMATION

### Name and Registered Office of our Company

#### Atlanta Limited

101, Shree Ambashanti Chambers,  
Opp Leela Hotel,  
Andheri - Kurla Road,  
Andheri (East)  
Mumbai - 400 059;  
Tel: + 91 22 2838 2929;  
Fax: +91 22 2838 2900;  
E-mail: ipo@atlantainfra.com

### Details of Registration

Registration Number: 11-031852

Our Company is registered with the Registrar of Companies, Maharashtra, situated at 2nd Floor, Hakoba Mills Compound, Dattaram Lad Marg, Kalachowki, Parel, Mumbai.

### Board of Directors

Our current Board of Directors consists of the following:

Sr. No.	Name	Designation
1.	Mr. G. Viswanathan	Chairman, Non-Executive and Independent
2.	Mr. Rajhoo Bbarot	Managing Director
3.	Mr. Rikiin Bbarot	Executive Director (Projects)
4.	Mr. G. Radhakrishnan	Executive Director (Finance)
5.	Dr. Samir Degan	Non Executive Director
6.	Mr. Arpan Brahmbhatt	Independent Director

#### Mr. Viswanathan, Chairman

53 years, is a member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He has 25 years of experience in finance, operations, and general management, including international trade, collaboration and joint ventures and structuring management. He started his career with the Tata Group of Companies "TELCO/NELCO." Suhail & Saud Bahwan, Muscat employed him as Head of Finance. He returned to India and joined Ion Exchange (India) Limited as Vice-President (Finance & Commercial). He was then employed by an Indonesian construction company belonging to Texmaco, as Chief Executive Officer. He was then Group President of Ficom Organics Limited. Presently, he is a senior member of the Trans Management Group, as a management consultant, and is engaged in advising companies on management to address competition and opportunities in establishing business operations in India. He is also a director of Doshian Exchange & Chemical Industries Limited.

#### Mr. Rajhoo Bbarot, Managing Director

51 years, holds a bachelor's degree in science from the University of Mumbai. He has promoted our Company and has been the driving force in the growth of our Company. He has 25 years of experience in construction business. He has carried out a wide range of civil engineering projects of large magnitude like that of construction of Highways, Airfield Pavements, Buildings, Reinforced Concrete Tracks, and Mining. He was also a member of the Mechanisation Committee set up by the Ministry of Surface Transport for upgradation and modernisation of road construction equipment, from 1988-1990. He is a member of the 'Working group on National Highways for privatisation of roads' of the Confederation of Indian Industries.

#### Mr. Rikiin Bbarot, Executive Director (Projects)

26 years, hold a bachelor's degree in commerce from Commercial University, Delhi and a Diploma in Civil Engineering. He is presently pursuing Masters in Management from S. P. Jain Institute of Mangament and Research in Family Managed Business. He has an experience of 5 years in the industry and has attained first hand experience in implenting modern



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technology construction in multi-facilitate projects with different logistics. He has been instrumental in developing and implementing 'Sitrep system' resulting in improved productivity and better equipment utilisation, which facilitated timely completion of projects.

**Mr. G. Radhakrishnan**, Executive Director (Finance)

46 years, holds a Bachelor's degree in Mechanical Engineering from the University of Mumbai, a Diploma in Operational Management from the Jannalal Bajaj Institute of Management Studies and a Master's degree in Management from S.P. Jain Institute of Management and Research. He is also a member of the Institute of Chartered Financial Analysts of India. He has over 22 years of experience in finance, commercial and managerial matters. He has been previously employed by OTIS Elevators (India) Limited as Production Control Executive; as Management Accountant in Mukund Iron & Steel Works Limited; as Executive Assistant to Chairman in Khimline Pumps Limited; as Planning & Development Executive in Larsen & Toubro Limited; as Finance Manager in ION Exchange (India) Limited. He has also worked overseas with AGAP Arabia Limited, Inma Steel Fabricators Co. Limited, Roofing & Insulation Company Limited, Tasqueef in various capacities such as Cost Controller, Finance Manager, General Manager and Support Services Manager.

**Company Secretary and Compliance Officer**

**Mr. Sachin Jain**

**Atlanta Limited**

101, Shree Ambashanti Chambers,  
Opp Leela Hotel,  
Andheri - Kurla Road,  
Andheri (East),  
Mumbai - 400 059;  
Tel: + 91 22 28382929;  
Fax: +91 22 28382900  
E-mail: ipo@atlantainfra.com

**Legal Advisors to the Issue**

**M/s. Crawford Bayley & Co.**

State Bank Buildings, 4th floor  
N. G. N. Vaidya Marg  
Fort, Mumbai - 400 023  
Tel.: +91 22 2266 3713  
Fax: +91 22 2266 0355  
E-mail: sanjay.asher@crawfordbayley.com

**Bankers to our Company**

<p><b>State Bank of India</b> Commercial Branch, Shyam Kamal Trade Center, Agrawal Market, Ville-Parle- (E), Phone No.: +91 22 26119499 Fax No.: +91 22 26194008 Email: mukesh.kr.78@sbi.co.in</p>	<p><b>State Bank of Hyderabad</b> 11-C, Mittal Tower, Nariman Point, Mumbai-400 021 Phone No.: +91 22 28843139 Fax No.: +91 22 22841096 Email: sbhnpt@bom5.vsnl.net.in</p>	<p><b>Bank of India</b> Andheri Corporate Banking Branch, MDI Building, 1st Floor, 58, S.V. Road, Andheri (West), Mumbai-400 058 Phone No.: +91 22 26712936 Fax No.: +91 22 26247655 Email: boiarcbb@vsnl.net</p>
<p><b>UTI Bank Limited</b> Royal Accord IV, Lokhandwala Complex, Andheri (West), Mumbai-400 013 Phone No.: +91 22 2635-9716 Fax No.: +91 22 26328008 Email: rajesh.shah@utibank.com</p>	<p><b>State Bank of Patiala</b> 'ATLANTA' Building, 1st Floor Nariman Point, Mumbai-400 021 Phone No.: +91 22 5637-5704 Fax No.: +91 22 5637 5703 Email: sbop313@rediffmail.com</p>	<p><b>Punjab National Bank</b> Illaco House, Fort, Mumbai-400 001 Phone No.: +91 22 22693687 Fax No.: +91 22 22660129 Email: pnb0061@pnbindia.com</p>
<p><b>Central Bank of India</b> Corporate Financing Branch 1st Floor, Central Bank Building, M. G. Road, Fort, Mumbai - 400 001 Phone No.: +91 22 2270 0946 Fax No.: +91 22 2265 0686 Email: cfbcbi@rediffmail.com</p>		





**Book Running Lead Managers (BRLMs)**

**Karvy Investor Services Limited**

Karvy House, 46, Avenue 4,  
Street No. 1, Banjara Hills,  
Hyderabad - 500 034.  
Tel: +91 40 2331 2454.  
Fax: +91 40 2337 4714  
Contact Person: Mr. T.R. Prashanth Kumar  
E-mail: mbd@karvy.com  
Website: www.karvy.com

**UTI Securities Limited**

Dheeraj Arma, 1st Floor,  
Anant Kanekar Marg,  
Bandra (E),  
Mumbai - 400 051.  
Tel: +91 22 67515809/828  
Fax: +91 22 67023194  
Contact Person: Mr. Sumeet Lath / Ms. Rupal Khandelwal  
E-mail: atlantaipo@utisel.com  
Website: www.utisel.com

**SREI Capital Markets Limited**

“Vishwakarma”, 86C,  
Topsia Road (South),  
Kolkata - 700 046  
Tel: +91 33 3987 3845/3810  
Fax: +91 33 3987 3863/61  
Contact Person: Mr. Manoj Agarwal  
E-Mail: capital@srei.com  
Website: www.srei.com

**Registrar to this Issue**

**Karvy Computershare Private Limited**

Unit -Atlanta Public Issue  
Karvy House, 46, Avenue 4,  
Street No. 1, Banjara Hills,  
Hyderabad - 500 034.  
Tel. No.: +91 40 23312454  
Fax No.: +91 40 2331 1968  
E-mail: atlanta\_ipo@karvy.com  
Contact Person: Mr. M. Muralikrishna  
Website: www.karvy.com

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



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**Bankers to the Issue and Escrow Collection Banks**

<p><b>ICICI Bank Limited</b> Capital Market Division Raja Bahadur Mansion 30, Mumbai Samachar Marg, Fort, Mumbai 400 001. Tel. No.: +91 22 2265 5206 / +91 22 2265 5285 Fax No.: +91 22 2261 1138 Contact Person: Mr. Sidhartha Sankar Routary Website: www.icicibank.com</p>	<p><b>HDFC Bank Limited</b> 26 A, Narayanan Properties, Chandivali Farm Road, Saki Naka, Andheri (E), Mumbai - 400072 Tel. No.: +91 22 2856 9009 Fax No.: +91 22 2856 9256 Contact Person: Mr. Viral Kothari Website: www.hdfcbank.com</p>
<p><b>The Hongkong and Shanghai Banking Corporation Limited</b> 52/60 Mahatma Gandhi Road Fort Mumbai - 400 001 Tel. No.: +91 22 2268 1673 / +91 22 2268 1290 Fax No.: +91 22 2273 4388 Contact Person: Mr. Dhiraj Bajaj Website: www.hsbc.co.in</p>	<p><b>Deutsche Bank AG</b> Global Transaction Banking Trade Finance &amp; Cash Management, Corporates Kodak House, 222, Dr. D.N. Road, Fort Mumbai - 400 001 Tel. No.: +91 22 5658 4000 Fax No.: +91 22 2207 6553 Contact Person: Mr. Shyamal Malhotra Website: www.db.com</p>
<p><b>Punjab National Bank</b> BO: Illaco House, Sir P.M. Road, Fort, Mumbai - 400 001 Tel. No.: +91 22 2266 1499 Fax No.: +91 22 2270 2839 Contact Person: Mr. Rajagopalan / Mr. Suresh Kamble Website: www.punjabnationalbank.org</p>	<p><b>UTI Bank Limited</b> Universal Insurance Building, Sir P.M. Road, Fort, Mumbai - 400 001 Tel. No.: +91 22 2288 4882 Fax No.: +91 22 2283 5785 Contact Person: Mr. Roshan Mathias Website: www.utibank.com</p>

**Syndicate Members**

**Karvy Stock Broking Limited**

**Karvy House,**  
**46, Avenue 4,**  
Street No. 1, Banjara Hills,  
Hyderabad - 500 034.  
Tel. No.: +91 40 23312545  
Fax No.: +91 40 23311968  
Contact Person: Mr. K. Sridhar  
Website: www.karvy.com

**Auditors**

**M/s. Suresh C. Maniar & Co.**

Chartered Accountants  
87, Arcadia,  
195, Nariman Point,  
Mumbai - 400 021  
Tel: 91 22 22841668 / 22841930  
Fax: 91 22 22884323  
E-mail: scmca@rediffmail.com



**Statement of Inter Se Allocation of Responsibilities between the BRLMs**

Inter-se allocation of responsibilities entered into between Karvy Investor Services Limited (KARVY), UTI Securities Limited (UTISEL) and SREI Capital Markets Limited (SREI Caps.)

SR. NO.	ACTIVITIES	RESPONSIBILITY	CO-ORDINATOR
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	KARVY	KARVY
2.	Due diligence of the Company's operations / management / business plans/legal etc.	KARVY	KARVY
3.	Drafting & Design of Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLM shall ensure with stipulated requirements and completion of prescribed formalities with Stock Exchanges, Registrar of Companies and SEBI.	KARVY	KARVY
4.	Selection of various agencies connected with the Issue including Registrar, Printers, Advertising Agency, Banker to the Issue, Refund Bankers etc.	KARVY, UTISEL & SREI Caps.	KARVY
5.	Company positioning and pre-marketing exercise, finalize media & public relation strategy, drafting and approval of all publicity material other than statutory advertisement as mentioned in (3) above including corporate advertisement, brochure, etc.	KARVY, UTISEL & SREI Caps.	KARVY
6.	Qualified Institutional Bidder (QIBs) Category: Finalising the list and division of investors for one-to-one meetings, Co-ordinating institutional investor meetings, institutional allocation and finalizing pricing decision	KARVY, UTISEL & SREI Caps.	KARVY
7.	Non Institutional and Retail Marketing of the Issue, which will cover inter alia: <ul style="list-style-type: none"> <li>● Formulating marketing strategy</li> <li>● Preparation of publicity budget</li> <li>● Arrange and Finalise Ad-Media and Public Relation strategy</li> <li>● Arrange and Finalise centers for holding conferences for brokers, Investors, high net worth investors press, etc.</li> <li>● Arrange for selection of (i) bankers to issue, (ii) collection centres (iii] brokers to issue and (iv) underwriters and the underwriting arrangement.</li> <li>● Follow-up on distribution of publicity and issue material including bid cum application form prospectus and deciding on the quantum of the issue material</li> </ul>	KARVY, UTISEL & SREI Caps.	KARVY
8.	Appointment of Syndicate Members	KARVY, UTISEL & SREI Caps.	KARVY
9.	Running the Book, interaction & co-ordination with Stock Exchanges for book-building software, bidding terminals and mock trading	KARVY, UTISEL & SREI Caps.	KARVY
10.	Finalisation of Prospectus and RoC Filing etc.	KARVY, UTISEL & SREI Caps.	KARVY
11.	The post bidding activities including, management of escrow accounts, co-ordinate non-institutional allocation, intimation of allocation, dispatch of refund orders to Bidders etc.	UTISEL	UTISEL
12.	The post issue activities for the Issue will involve essential follow up steps, which include the finalisation of listing of Equity Shares, finalisation of basis of allotment including weeding out of multiple applications and dispatch of allotment advice and refund orders, with the various agencies connected with the work such as the Registrars to the Issue, Bankers to the Issue and the bank handling refund business.	UTISEL	UTISEL



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### **Credit Rating**

As this is an Issue of Equity Shares, credit rating is not required.

### **Grading**

We have not opted for grading in this Issue.

### **Trustees**

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

### **Monitoring Agency**

Our Company has appointed Punjab National Bank to monitor the utilisation of funds on a regular basis. The details are as follows:

#### **Punjab National Bank**

Ilaco House,  
P.M. Road, Fort,  
Mumbai - 400 001  
Tel.No.: +91 22 2267 6348  
Fax No.: +91 22 2270 2834  
Contact Person: R. Rajgopalan  
Website: www.punjabnationalbank.org

### **Book Building Process**

Book Building refers to the process of collection of bids from investors on the basis of the Red Herring Prospectus. The Issue Price is fixed after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- (1) Our Company;
- (2) Book Running Lead Managers, in this case being Karvy Investor Services Limited, UTI Securities Limited and SREI Capital Markets Limited;
- (3) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as underwriters, in this case being Karvy Investor Services Limited, UTI Securities Limited, SREI Capital Markets Limited and Karvy Stock Broking Limited;
- (4) Registrar to the Issue, in this case being Karvy Computershare Private Limited.

SEBI, through its guidelines, has permitted the Issue of securities to the public through the 100% Book Building Process, wherein upto of 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company will comply with these guidelines for this Issue. In this regard, we have appointed the BRLMs to procure subscriptions to the Issue.

**QIBs are not allowed to withdraw their Bid after the Bid/ Issue Closing Date and are now required to pay 10% Margin Amount upon submission of their Bid. For details see the chapter titled “Issue Related Information” on page 142 in the Red Herring Prospectus.**

Steps to be taken by the Bidders for bidding:

- Check whether he/ she is eligible for bidding;
- Bidder necessarily needs to have a demat account;
- Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form; and
- Ensure that the Bid-cum-Application Form is accompanied by a copy of PAN card or by Form 60 or Form 61 as may be



applicable. For details please refer to the chapter titled “Issue Procedure” on page 147 of the Red Herring Prospectus. Bidders are specifically requested not to submit their General Index Register number instead of the Permanent Account Number as the Bid is liable to be rejected.

**Illustration of Book Building and Price Discovery Process** (*Investors should note that the following is solely for the purpose of illustration and is not specific to this 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, issue size of 3,000 equity shares and receipt of five bids from bidders details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)) during the bidding period. The illustrative book as shown below shows the demand for the shares of our Company at various prices and is collated from bids from various investors.

Number of equity shares Bid for	Bid Price (Rs.)	Cumulative equity shares Bid for	Subscription
500	24	500	27.77%
1,000	23	1,500	83.33%
1,500	22	3,000	166.67%
2,000	21	5,000	277.78%
2,500	20	7,500	416.67%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum 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 BRLMs will finalise the issue price at or below such cut off price i.e. at or below Rs. 22/-. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

#### Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with Registrar of Companies, Maharashtra, we will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that 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 not joint, and are subject to certain conditions as specified in such agreement.

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

*(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with Registrar of Companies, Maharashtra.)*

Name & Address of the Underwriter	Indicated no. of shares to be underwritten	Amount underwritten (Rs. Lacs)
<b>Karvy Investor Services Limited</b> “Karvy House”, 46 Avenue Street No. 4 Banjara Hills, Hyderabad - 500 034 Tel: +91 40 2331 2454. Fax: +91 40 2337 4714 E-mail: mbd@karvy.com	[•]	[•]
<b>UTI Securities Limited</b> Dheeraj Arma, 1st Floor, Anant Kanekar Marg, Bandra (E), Mumbai - 400 051. Tel: +91 22 5551 5999 Fax: +91 22 5502 3194 E-mail: atlantaipo@utisel.com	[•]	[•]



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<b>Name &amp; Address of the Underwriter</b>	<b>Indicated no. of shares to be underwritten</b>	<b>Amount underwritten (Rs. Lacs)</b>
<b>SREI Capital Markets Limited</b> “Vishwakarma”, 86C, Topsia Road (South), Kolkata - 700 046. Tel: +91 33 2285 0112 Fax: +91 33 2285 7542 E-Mail: prabuddhac@srei.com	[.]	[.]
<b>Karvy Stock Broking Limited</b> Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034. Tel: +91 40 23312545 Fax: +91 40 23311968 E-mail: mbd@karvy.com	[.]	[.]
<b>Total</b>	[.]	[.]

The above-mentioned amount is an indicative underwriting and would be finalised after pricing and actual allocation. The above underwriting agreement is dated [.]

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

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLMs and the Syndicate Members shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure/subscribe to the extent of the defaulted amount. For further details about allocation please refer to “Other Regulatory and Statutory Disclosures” beginning on page 136 of the Red Herring Prospectus.



## E CAPITAL STRUCTURE

The share capital of our Company as on the date of filing of the Red Herring Prospectus with RoC is as set forth below.

Share Capital as on the date of filing of the Red Herring Prospectus	Amount in Rs. Million	
	Aggregate Value at Nominal Price	Aggregate Value at Issue Price
<b>A. Authorised Capital</b> 20,000,000 Shares of Rs. 10/- each	200.00	
<b>Out of which</b>		
(I) 17,000,000 Equity Shares of Rs. 10/- each	170.00	
(II) 3,000,000 25% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	30.00	
<b>B. Issued, Subscribed and Paid-Up Capital before this Issue</b> 12,000,000 Equity Shares of Rs. 10/- each. 2,500,000 25% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	120.00 25.00	
<b>C. Present Issue to the public in terms of the Red Herring Prospectus</b> 4,300,000 Equity Shares of Rs. 10/- each	43.00	[●]
<b>Out of which</b>		
(I) 200,000 Equity Shares of Rs. 10/- each are reserved for the Employees	2.00	
(II) 4,100,000 Equity Shares of Rs. 10/- each as Net Issue to the Public	41.00	
<b>E. Issued, Subscribed and Paid-Up Capital after this Issue</b> 16,300,000 Equity Shares of Rs. 10/- each 2,500,000 25% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	163.00 25.00	[●]
<b>E. Securities Premium Account<sup>(1)</sup></b> Before this Issue After this Issue	155.00 [●]	

<sup>(1)</sup>The amount standing in the Securities Premium Account, on a pre-Issue basis, is Rs. 155,000,000/-. The increase in the Securities Premium Account as a result of the Issue will be completed only after the Issue Price is determined.

### Details of Increase in Authorised Equity Share Capital

Date of Increase	Details
January 17, 1984	Rs. 500,000/- on Incorporation
July 29, 1986	Increase from Rs.500,000/- to Rs.6,000,000/-
April 16, 1988	Increase from Rs.6,000,000/- to Rs.10,000,000/-
September 28, 1990	Increase from Rs. 10,000,000/- to Rs.30,000,000/-
January 29, 2001	Increase from Rs.30,000,000/- to Rs.50,000,000/-
April 23, 2002	Increase from Rs.50,000,000/- to Rs. 100,000,000/-
March 28, 2005	Increase from Rs.100,000,000/- to Rs. 120,000,000/-
December 19,2005	Increase from Rs.120,000,000/- to Rs. 170,000,000/-



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**Details of Increase in Authorised 25% Non Cumulative Redeemable Preference Shares of Rs. 10/- each.**

Date of Increase	Details
March 28, 2005	3,000,000 25% Non Cumulative Redeemable Preference Shares of Rs. 10/- each

**Notes to Capital Structure**

**History of Share Capital Increase**

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

Date of Allotment/Reduction	No. of Equity Shares	Cumulative No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of payment of consideration	Reasons for Allotment/Reduction	Cumulative Securities Premium Account	Cumulative Paid-up Capital (Rs.)
January 17, 1984	20	20	100	100	Cash	Original subscribers to the Memorandum	-	2000
April 13, 1985	1500	1520	100	100	Cash	Further Issue of Equity Shares	-	152,000
April 13, 1985	980	2500	100	-	Other than Cash	Further Issue of Equity Shares	-	250,000
December 23, 1985	2250	4750	100	100	Cash	Further Issue of Equity Shares	-	475,000
June 5, 1987	13770	18520	100	100	Cash	Further Issue of Equity Shares	-	1,852,000
March 30, 1988	2300	20820	100	100	Cash	Further Issue of Equity Shares	-	2,082,000
March 31, 1988	4041	24861	100	100	Cash	Further Issue of Equity Shares	-	2,486,100
June 30, 1988	11790	36651	100	100	Cash	Further Issue of Equity Shares	-	3,665,100
August 24, 1988	1610	38261	100	100	Cash	Further Issue of Equity Shares	-	3,826,100
January 27, 1989	3930	42191	100	100	Cash	Further Issue of Equity Shares	-	4,219,100
February 28, 1989	1280	43471	100	100	Cash	Further Issue of Equity Shares	-	4,347,100
March 31, 1989	770	44241	100	100	Cash	Further Issue of Equity Shares	-	4,424,100
March 26, 1990	8290	52531	100	100	Cash	Further Issue of Equity Shares	-	5,253,100
March 26, 1991	52531	105062	100	-	Bonus	Bonus issue (1:1)	-	10,506,200
April 28, 1992	2000	107062	100	100	Cash	Further Issue of Equity Shares	-	10,706,200
August 20, 1993	6430	113492	100	100	Cash	Further Issue of Equity Shares	-	11,349,200
August 02, 1994	17008	130500	100	100	Cash	Further Issue of Equity Shares	-	13,050,000





Date of Allotment/Reduction	No. of Equity Shares	Cumulative No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of payment of consideration	Reasons for Allotment/Reduction	Cumulative Securities Premium Account	Cumulative Paid-up Capital (Rs.)
March 31, 1996	23100	153600	100	100	Cash	Further Issue of Equity Shares	-	15,360,000
March 31, 1997	40000	193600	100	100	Cash	Further Issue of Equity Shares	-	19,360,000
December 22, 2000	30750	224350	100	100	Cash	Further Issue of Equity Shares	-	22,435,000
February 25, 2001	224350	448700	100	-	Bonus	Bonus Issue (1:1)	-	44,870,000
March 31, 2001	11300	460000	100	100	Cash	Further Issue of Equity Shares	-	46,000,000
March 04, 2002	23020	483020	100	100	Cash	Further Issue of Equity Shares	-	48,302,000
October 8, 2002	27000	510020	100	100	Cash	Further Issue of Equity Shares	-	51,002,000
January 25, 2003	1500	511520	100	100	Cash	Further Issue of Equity Shares	-	51,152,000
March 28, 2003	40800	552320	100	100	Cash	Further Issue of Equity Shares	-	55,232,000
<b>March 25, 2004</b>	—	<b>5523200</b>	<b>10</b>	—	—	Split of shares and face value of Equity Shares reduced from Rs. 100/- to Rs. 10/-		<b>55,232,000</b>
September 30, 2004	1321100	6844300	10	10	Cash	Further Issue of Equity Shares	-	68,443,000
March 31, 2005	1795800	8640100	10	10	Cash	Further Issue of Equity Shares	-	86,401,000
September 30, 2005	2859900	11500000	10	10	Cash	Further Issue of Equity Shares	-	115,000,000
December 20, 2005	250000	11750000	10	120	Cash	Further Issue of Equity Shares	27,500,000	117,500,000
January 4, 2006	250000	12000000	10	120	Cash	Further Issue of Equity Shares	55,000,000	120,000,000

**Preference Share Capital History of the Company (Capital build up)**

Date of allotment	No. of Preference shares allotted/ (redemption)	Issue/ (redemption) Price (Rs.)	Cumulative no. of preference shares	Cumulative share premium	Name of persons / Entity to which preference shares allotted/ (redeemed)
March 31, 2005	1,000,000	50	1,000,000	40,000,000	Ideal Toll Investments and Operations Private Limited
December 20, 2005	1,500,000	50	2,500,000	100,000,000	Ideal Toll Investments and Operations Private Limited



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2. Promoters Contribution and Lock-In

Details of Allotment of Shares to Promoters of Atlanta Limited

Name of the Promoter	Date on which Equity Shares were allotted and made fully paid up	Number of Equity Shares	Face Value (in Rs)	Issue price (in Rs.)	Consideration (cash, bonus, consideration other than cash)	
Rajhoo Bbarot	April 13, 1985	500	100	100	Cash	
	June 05, 1987	6350	100	100	Cash	
	June 30, 1988	5480	100	100	Cash	
	February 28, 1989	510	100	100	Cash	
	March 26, 1990	520	100	100	Cash	
	March 26, 1991	13360	100	-	Bonus	
	April 28, 1992	600	100	100	Cash	
	August 20, 1993	2070	100	100	Cash	
	March 31, 1996	5370	100	100	Cash	
	March 31, 1997	1900	100	100	Cash	
	December 22, 2000	10200	100	100	Cash	
	February 25, 2001	47210	100	-	Bonus	
	March 31, 2001	11050	100	100	Cash	
	March 04, 2002	5280	100	100	Cash	
	March 28, 2003	7500	100	100	Cash	
	<b>Total</b>	<b>117900</b>	<b>100</b>			
	<b>Split of shares and reduction of Face Value from Rs. 100/- to Rs. 10/-</b>					
	<b>Total shares</b>	<b>1179000</b>	<b>10</b>			
	September 30, 2004	412300	10	10		Cash
	March 31, 2005	681900	10	10		Cash
	September 30, 2005	530000	10	10		Cash
<b>Total</b>	<b>2803200</b>					
Rikiin R. Bbarot	June 05, 1987	1650	100	100	Cash	
	June 30, 1988	150	100	100	Cash	
	January 27, 1989	900	100	100	Cash	
	March 31, 1989	50	100	100	Cash	
	March 26, 1990	720	100	100	Cash	
	March 26, 1991	3470	100	-	Bonus	
	April 28, 1992	250	100	100	Cash	
	August 20, 1993	520	100	100	Cash	
	March 31, 1996	615	100	100	Cash	
	March 31, 1997	300	100	100	Cash	
	December 22, 2000	11400	100	100	Cash	
	February 25, 2001	50183	100	—	Bonus	
	March 31, 2001	250	100	100	Cash	
	March 04, 2002	5030	100	100	Cash	
	October 8, 2002	22000	100	100	Cash	
	January 25, 2003	1500	100	100	Cash	
	March 28, 2003	7350	100	100	Cash	
	<b>Sub-Total</b>	<b>106338</b>	<b>100</b>			
	<b>Split of shares and reduction of Face Value from Rs. 100/- to Rs. 10/-</b>					
	<b>Sub-Total shares</b>	<b>1063380</b>	<b>10</b>			
	September 30, 2004	362700	10	10		Cash
March 31, 2005	631400	10	10		Cash	
September 30, 2005	1037700	10	10		Cash	
<b>Total</b>	<b>3095180</b>					



**Details of Equity Shares purchased / sold by the promoters in the last 12 months**

Name of the Promoter	Allotment of Shares	Purchases	Sales	Final Shareholding
Rajhoo Bbarot	2803200	3500		2806700
Rikiin Bbarot	3095180	876980	10	3972150

The sale and purchase of shares have been taken at Face Value of Rs. 10/-.

**Details of Promoters contribution locked-in for three years:**

Sr. No	Name of Promoter	Date on which Equity Shares were allotted/ transferred and made fully paid up	Number of Equity Shares	Face Value (in Rs)	Issue/ Transfer price in Rs.	Consideration (cash, bonus, consideration other than cash)	Percentage of post-Issue paid-up capital
<b>1</b>	<b>Mr. Rajhoo Bbarot</b>	June 5, 1987	6350	100	100	Cash	
		June 30, 1988	5480	100	100	Cash	
		February 28, 1989	510	100	100	Cash	
		March 26, 1990	520	100	100	Cash	
		March 26, 1991	13360	100	-	Bonus	
		April 28, 1992	600	100	100	Cash	
		August 20, 1993	2070	100	100	Cash	
		March 31, 1996	5370	100	100	Cash	
		March 31, 1997	1900	100	100	Cash	
		September 9, 1999	350	100	100	Cash	
		December 22, 2000	10200	100	100	Cash	
		February 25, 2001	47210	100	-	Bonus	
		March 31, 2001	11050	100	100	Cash	
		March 04, 2002	5280	100	100	Cash	
		March 28, 2003	7500	100	100	Cash	
	<b>Sub Division</b>		<b>1177500</b>	<b>10</b>			<b>7.22</b>
	September 30, 2004	412300	10	10	Cash	2.53	
	<b>Sub-Total</b>		<b>1589800</b>				<b>9.75</b>
<b>2</b>	<b>Mr. Rikiin Bbarot</b>	February 25, 2001	50183	100	-	Bonus	
		March 31, 2001	250	100	100	Cash	
		March 04, 2002	5030	100	100	Cash	
		March 31, 2002	57539	100	100	Cash	
		October 8, 2002	22000	100	100	Cash	
		January 25, 2003	1500	100	100	Cash	
		March 28, 2003	7350	100	100	Cash	
		Subdivision	1438520	10			8.83
		September 30, 2004	362700	10	10	Cash	2.23
		Sub-Total	1801220				11.05
	<b>Total</b>		<b>3391020</b>			<b>20.80</b>	



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**Notes:**

- (i) 3500 Equity Shares (350 Equity Shares before the face value of these shares was split) purchased by Mr. Rajhoo Bbarot on September 9, 1999 have been considered for lock-in and shown in the above table “Promoters Contribution Locked-in for 3 years”.
- (ii) 876,980 Equity Shares were purchased by Mr. Rikiin Bbarot (prior to the split in the face value from Rs. 100/- to Rs. 10/-). Out of these Shares, 57, 539 Equity Shares purchased by him on March 31, 2002 have been considered for lock-in and shown in the above table “Promoters Contribution Locked-in for 3 years”.

The Equity Shares considered for Promoter’s contribution do not include Equity Shares acquired by the Promoter’s during the preceding three years resulting from bonus issue, out of revaluation reserves or for consideration other than cash.

The Equity Shares issued to Promoter’s during the preceding one year at a price lower than the Issue Price have not been considered for computation of Promoter’s contribution.

The Equity Shares forming part of Promoter’s contribution do not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

Written consent dated March 16, 2006 has been obtained from shareholders whose securities have been included as part of promoters’ contribution subject to lock-in and that these securities will not be disposed/sold/transferred by the promoters during the period starting from the date of filing the Draft Red Herring Prospectus with SEBI till the date of commencement of lock in period as stated in the Draft Red Herring Prospectus.

The entire pre-Issue Equity Share Capital of our Company, comprising 12,000,000 Equity Shares, shall be locked in for a period of one year from the date of the Allotment of Equity Shares in this Issue, of which 3,391,020 Equity Shares held by Mr. Rajhoo Bbarot and Mr. Rikiin Bbarot as the Promoters shall be locked in for three years from the date of Allotment of Equity Shares in this Issue.

Equity Shares held by the person other than the Promoters, prior to this Issue, which are subject to lock in as per the relevant provisions of Chapter IV of SEBI Guidelines, may be transferred to any other person holding Equity Shares which are locked in, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable.

Equity Shares held by Promoter(s) which are locked in as per the relevant provisions of Chapter IV of the SEBI Guidelines, may be transferred to and amongst Promoter/Promoter group or to a new promoter or persons in control of the Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997, as applicable.

The locked-in Equity Shares held by the Promoter(s) can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of such loan.

**Pledge of Shares:**

Pursuant to the terms of the supplementary agreement for pledge of shares dated November 28, 2005 in favour of State Bank of India, State Bank of Hyderabad, UTI Bank Limited, State Bank of Patiala and State Bank of Indore, 25,00,000 Equity Shares of face value Rs. 10/- each held by the Promoters and Promoter Group are pledged with the Banks. The following Equity Shares would be pledged with State Bank of India as collateral for long-term loan of Rs. 250 million granted to our Company for the Mumbra By Pass Project. The pledged shares will be released by State Bank of India after repayment of this loan.

Sr. No.	Name of the Promoter / Promoter Group	Number of Equity Shares
1.	Mr. Rajhoo Bbarot	4,72,100
2.	Rajendra A. Barot (HUF)	1,16,170
3.	Mrs. Bhavana R. Bbarot	4,73,730
4.	Mr. Rikiin R. Bbarot	10,32,330
5.	Mrs. Riddhima Doshi	3,38,470
6.	Ambalal P. Barot (HUF)	67,200
<b>Total</b>		<b>25,00,000</b>



Pursuant to the terms of the sanction letter dated January 19, 2006 with Punjab National Bank, 50,000 Equity Shares held by Mr. Rajhoo Bbarot are to be pledged with them. Punjab National Bank has requested that the equity shares should be in dematerialized form. We are in the process of dematerializing these Equity Shares. On dematerialization, the Equity Shares would be pledged with Punjab National Bank as collateral for term loan of Rs. 20 million granted to our Company. The pledged shares will be released by Punjab National Bank after repayment of this loan.

**3. Details of Purchases / Sales in the Company's Equity Shares by the Promoters/Promoter Group and the Directors of the Company during a period of six months preceding the date of filing of the Red Herring Prospectus with RoC**

There have been no transactions in our Equity Shares by the Promoters/Promoter Group and the Directors of the Company during a period of six months preceding the date of filing of the Red Herring Prospectus with RoC.

**4. Allotment of Equity Shares to Directors of the Company in the last six months**

There have been no allotments of our Equity Shares to our Directors during a period of six months preceding the date of filing of the Red Herring Prospectus with RoC.

**5. Shareholding pattern of the Company prior and post this Issue**

Name of the Shareholders	Pre-Issue Equity Capital		Post-Issue Equity Capital	
	Number of Equity Shares	%	Number of Equity Shares	%
<b>Promoters</b>				
Rajhoo Bbarot	2,806,700	23.39	2,806,700	17.22
Rikiin Bbarot	3,972,150	33.10	3,972,150	24.37
<b>Sub-Total</b>	<b>6,778,850</b>	<b>56.49</b>	<b>6,778,850</b>	<b>41.59</b>
<b>Promoter Group</b>				
Bhavana Bbarot	3,339,960	27.83	3,339,960	20.49
Ridhima Doshi	939,440	7.83	939,440	5.76
Rajendra Barot (HUF)	280,740	2.34	280,740	1.72
Ambalal P Barot (HUF)	161,000	1.34	161,000	0.99
Mitul Doshi	10	0.00	10	0.00
<b>Sub Total</b>	<b>4,721,150</b>	<b>39.34</b>	<b>4,721,150</b>	<b>28.96</b>
<b>Others</b>				
Him Realty Private Limited	250,000	2.08	250,000	1.53
Neol Eq Research Private Limited	100,000	0.83	100,000	0.61
Essix Bio Sciences Limited	100,000	0.83	100,000	0.61
Eden Realty Private Limited	50,000	0.42	50,000	0.31
<b>Sub Total</b>	<b>500,000</b>	<b>4.17</b>	<b>500,000</b>	<b>3.07</b>
Employees (pursuant to this Issue)	-	-	200,000	1.23
Public (pursuant to this Issue)	-	-	4,100,000	25.15
<b>Grand Total</b>	<b>12,000,000.00</b>	<b>100.00</b>	<b>16,300,000.00</b>	<b>100.00</b>



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**5a) Particulars of top ten shareholders on the date of filing the Red Herring Prospectus with RoC**

Serial No.	Name of the shareholder	Number of Equity Shares	%
1.	Rikiin R. Bbarot	3,972,150	33.10
2.	Bhavana Bbarot	3,339,960	27.83
3.	Rajhoo Bbarot	2,806,700	23.39
4.	Ridhima Doshi	939,440	7.83
5.	Rajendra Barot (HUF)	280,740	2.34
6.	Him Realty Private Limited	250,000	2.08
7.	Ambalal P Barot (HUF)	161,000	1.34
8.	Neol Equity Research Private Limited	100,000	0.83
8.	Essix Biosciences Limited	100,000	0.83
9.	Eden Realty Private Limited	50,000	0.42

**5b) Particulars of top shareholders ten days prior to filing the Red Herring Prospectus with RoC**

Serial No.	Name of the shareholder	Number of Equity Shares	%
1.	Rikiin R. Bbarot	3,972,150	33.10
2.	Bhavana Bbarot	3,339,960	27.83
3.	Rajhoo Bbarot	2,806,700	23.39
4.	Ridhima Doshi	939,440	7.83
5.	Rajendra Barot (HUF)	280,740	2.34
6.	Him Realty Private Limited	250,000	2.08
7.	Ambalal P Barot (HUF)	161,000	1.34
8.	Neol Equity Research Private Limited	100,000	0.83
8.	Essix Biosciences Limited	100,000	0.83
9.	Eden Realty Private Limited	50,000	0.42

**5c) Particulars of the shareholders 2 years prior to the date of filing of the Red Herring Prospectus with RoC**

Serial No.	Name of the shareholder	Number of Equity Shares	%
1.	Rikiin R. Bbarot	1,940,350	35.13
2.	Bhavana Bbarot	1,179,860	21.36
3.	Rajhoo Bbarot	1,182,500	21.41
4.	Ridhima Doshi	817,840	14.81
5.	Rajendra Barot (HUF)	255,040	4.62
6.	Ambalal P Barot (HUF)	147,600	2.67
7.	Mitul Doshi	10	0.00

6. Our Company, Directors, Promoters and the BRLMs to this Issue have not entered into any buy-back, standby or similar arrangements for purchase of Equity Shares of our Company from any person.
7. The total number of members of our Company as on the date of filing the Red Herring Prospectus is 11.



8. Our Company has not raised any bridge loan against the proceeds of this Issue.
9. 200,000 Equity Shares have been reserved for Allocation to the Employees on a proportionate basis, subject to valid bids being received at or above the Issue Price and subject to the maximum bids in this portion. Only the Employees as defined in the chapter titled “Definitions and Abbreviations” on page iii of the Red Herring Prospectus would be eligible to apply in this Issue under the reserved category for our Employees. Employees may also bid in the Net Issue to public portion and such Bids shall not be treated as multiple Bids. Any under subscription in the Equity Shares under the Employee Reservation Portion would be added to the Net Issue and the same would be allocated proportionately by our Company in consultation with the BRLMs.
10. The Bids in the Employee Reservation Portion are subject to a maximum Bid for 200,000 Equity Shares. If the aggregate demand in the Employee Reservation Portion is greater than 200,000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis.
11. In the case of over-subscription in all categories, upto 50% of the Net Issue to the Public shall be allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above this Issue Price. Under-subscription, if any, in any of the categories would be allowed to be met with spill over from any other category by our Company in consultation with the BRLMs.
12. An over-subscription to the extent of 10% of the Net Issue to public can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot while finalizing the basis of allotment.
13. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares offered through the Draft Red Herring Prospectus have been listed.

We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisitions or joint ventures, we may consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

14. We have issued Equity Shares in last twelve months and the price of such issuances may be lower than the Issue Price. We have made the following allotment of Equity Shares in the twelve months before the date of the Red Herring Prospectus and the price of such issuances may be lower than the Issue Price:

Allottee	Date of Allotment	Issue Price (Rs.)	Number of Equity Shares
Rajhoo Bbarot	September 30, 2005	10	530,000
Bhavna Bbarot	September 30, 2005	10	1,229,200
Rikiin Bbarot	September 30, 2005	10	1,037,700
Rajendra A. Barot (HUF)	September 30, 2005	10	13,000
Ambalal P. Barot	September 30, 2005	10	7,500
Ridhima Doshi	September 30, 2005	10	42,500
Him Realty Private Limited	December 20, 2005	120	250,000
Neol Equity Research Private Limited	January 4, 2006	120	100,000
Essix Biosciences Limited	January 4, 2006	120	100,000
Eden Realty Private Limited	January 4, 2006	120	50,000



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15. Our Company has revalued its assets since inception, the details of which are as follows:

<b>Year Ended</b>	<b>Particulars of Fixed Assests</b>	<b>Original Cost (Rs.)</b>	<b>Revalued Cost (Rs.)</b>	<b>Difference added to Fixed Assets (Rs.)</b>
March 31, 2000	Office Premises	5,392,627	316,400	28,200,000
	Plant and Machinery	17,500,000	22,807,373	17,183,600
March 31, 2002	Plot of Land	6,450,000	74,496,562	68,046,562
<b>Total</b>		<b>12,159,027</b>	<b>120,196,562</b>	<b>108,037,535</b>

16. Our Company has capitalized its reserves twice since inception and the details for the same are as follows:-

<b>Date</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>
March 26, 1991	1:1 Bonus Issue of 525,310 shares of Rs. 10/- face value	5,253,100
February 25, 2001	1:1 Bonus Issue of 2,243,500 shares of Rs. 10/- face value	22,435,000
<b>Total</b>		<b>27,688,100</b>

17. A Bidder cannot make a Bid for more than the number of Equity Shares offered through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
18. The Promoters' contribution has not been brought-in less than the specified minimum lot of Rs. 25,000/- per application from each individual and Rs. 100,000/- from companies.
19. Our Company has not made any public issue since its incorporation.
20. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares of and we shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
21. As on the date of filing of the Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares. The locked-in Equity Shares held by the Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of such loan. For details of pledge of shares by our Promoters please refer to section titled "Pledge of Shares" - in "Capital Structure" beginning on page 13 of this Red Herring Prospectus.



**F. OBJECTS OF THE ISSUE**

The net proceeds from the Issue after deducting underwriting commission and management fees, brokerage, fees to various advisors and all other Issue related expenses are estimated at Rs. [●] million. The proceeds from this Issue are intended to be deployed for the following:

- a. To meet the investment requirements in Balaji Toll Ways Limited; a Special Purpose Vehicle incorporated for the execution of the Nagpur-Kondhali four lane BOT project.
- b. For purchase of plant and machinery for mining activities;
- c. Investment in real estate projects;
- d. Purchase of plant and machinery for construction and real estate business;
- e. Repayment of high cost debt;
- f. Incremental working capital requirement; and
- g. To meet the expenses of this Issue.

**FUNDS REQUIREMENT**

The estimated funds requirement for the above objects is set forth below:

(Rs. in million)

Sr. No.	Particulars	Fund Requirement
1.	Investment in BOT Project	429.20
2.	Purchase of plant and machinery for Mining activities	80.74
3.	Real Estate Projects	50.00
4.	Purchase of plant and machinery for construction and real estate business	54.90
5.	Repayment of high cost debt	100.00
6.	Incremental working capital requirement	100.00
7.	Issue Expenses	[●]
	<b>Total Fund Required</b>	<b>[●]</b>

The above costs are indicative and are our Company's estimates based on prevailing rates and previous orders for similar equipment. The actual costs would depend upon the negotiated prices with the suppliers/contractors and may vary from the above estimates. The above fund requirements are not appraised by any bank or any financial institution.

The main Objects clause and Objects Incidental or Ancillary to the Main Objects Clause of the Memorandum of Association of the Company enables the Company to undertake the existing activities and the activities for which the funds are being raised through the present Issue.

**MEANS OF FINANCE:**

The above fund requirement is proposed to be financed as under:

Particulars	Amount (Rs. in million)
Public Issue of Equity Shares	[●]
Equipment Finance	124.82
Internal Accruals	[●]
<b>Total</b>	<b>[●]</b>

We have obtained an in-principle sanction for loan from SREI Infrastructure Finance Limited vide sanction letter no. SIFL/WRO/AF/05-06/AIL/01 for Rs. 135 million. The amount of Rs. 124.82 million as shown above in the "Means of Finance" is the maximum amount that can be availed by us, due to change in the project cost based on foreign exchange rate fluctuations and custom / import duties. We confirm that firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through this Issue is being made. The tenure of the loan is 3 years with a moratorium of 2 months and rate of interest @ 11% p.a.



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In the event any surplus, if left out of the Issue proceeds after meeting all the aforesaid objectives, such surplus Issue proceeds will be used towards general corporate purposes and meeting future growth opportunities.

### Details of Cash Accruals as on March 31, 2006:

The cash accruals of our Company as on March 31, 2006 are Rs. 215.50 Million

### Project Details

#### 1. Investment in Infrastructure Project under BOT basis:

The government has from time to time framed policies and ways to channelise private investment in infrastructure development projects. To make this possible the government has started issuing tenders inviting public private partnership, which is typically an arrangement between the government and private sector entities for the purpose of providing public infrastructure facilities and related services. Our Company with its wide experience in the execution of infrastructure projects has started bidding for Build Operate Transfer (BOT) projects issued by Central Government, State Governments, Municipal Corporations and other local bodies. Since the Company qualifies financially & technically for projects initiated by various authorities, the Company has bid for a number of projects and was awarded two projects on BOT basis. The two projects are Udaipur Bypass Road Project on NH-8 (Mumbai-Delhi) and Mumbra Bypass on NH-4 (Mumbai-Pune). Our Company has successfully completed construction of the Udaipur Bypass Road Project on NH-8 (Mumbai-Delhi) and construction of Mumbra Bypass on NH-4 (Mumbai-Pune) is nearing completion.

Based on past experience in BOT projects, our Company now proposes to further exploit its experience, resources and technical know how by bidding for similar projects in future, which we plan to execute through separate Special Purpose Vehicles (SPVs) for respective projects after they are awarded to us.

In tandem with our strategy for BOT projects, we in joint venture with SREI Infrastructure Finance Limited had bid for "Improvement, Operation and Maintenance including strengthening and widening of Existing 2-Lane Road to 4-Lane Road Dual Carriageway from Km 9.2 - Km 50 of NH-6 (Nagpur-Kondhali Section) ("Project")" in the state of Maharashtra on BOT basis initiated by NHAI. The Project has since been awarded to the joint venture. A SPV by the name of "Balaji Tollways Limited" has been created by the joint venture for carrying out the project. The SPV i.e Balaji Tollways Limited has signed a concession agreement on December 9, 2005. The concession period for the project is 20 years.

The cost of construction in the Project as estimated by NHAI was Rs. 1,680 million. Since, this comprises only the EPC cost, the total cost of the Project including other costs such as interest during construction, contingencies, independent consultants and pre-operative expenses works out to Rs. 2262.40 million as estimated by the SPV.

The cost of the Project is proposed to be financed as under:	(Rs. in million)
Equity	580.0
Grant from NHAI	571.10
Debt	1111.30
<b>Total</b>	<b>2262.40</b>

The amount of Rs. 429.20 million raised in this Issue will be invested in the Equity Capital of the SPV. Presently, our Company holds 34% and SREI Infrastructure Finance Limited holds 26% of the Paid Up Equity Capital of the SPV. The remainder of the equity shares of the SPV are held by individuals forming part of our Promoter Group. Subsequent to this investment the Company's shareholding in the SPV would increase to 74% by virtue of which the SPV would become a subsidiary of the Company. For further details of the SPV, please refer to section titled "Financial Information of Group Companies" on page 113 of the Red Herring Prospectus.

As per the concession agreement referred to above, the financial closure for the Project must be completed within a period of six months from the date of the agreement i.e. December 9, 2005.



The SPV has already received the following sanction letters for part financing the BOT Project.

(Rs. in million)

Sr. No.	Name of the lender	Date of the Sanction	Amount	Nature of loan and Rate of Interest
1.	India Infrastructure Finance Company Limited	August 4, 2006 vide letter no. IIFCL:PRO:BTL:2006/475	450.00	Term loan @ 9.5% p.a. payable monthly
2.	SREI Infrastructure Finance Limited	July 6, 2006	150.00	Term loan @ 10% p.a.
3.	Union Bank of India	July 20, 2006 vide letter no. IFB:ADV:768/06	400.00	Term loan @ 11.25% p.a. payable monthly during construction period and thereafter Bank Prime Lending Rate
	<b>TOTAL</b>		<b>1000.00</b>	

The SPV is in the process of finalizing the balance requirement for the debt component of Rs. 111.13 million.

#### **Details of the Build Operate and Transfer (“BOT”) project**

The project road length of 40.8 km starting from 9.2 km to 50 km forms part of the existing National Highway - NH6. NH6 starts from Kolkata and after traversing through West Bengal, Jharkhand, Orissa, Chattisgarh and Maharashtra terminates at Surat in Gujarat. It carries a sizable amount of inter-state and intra-state traffic. The section for construction is known as the Nagpur-Kondhali Section in the state of Maharashtra. This Project starts at 9.2 km just outside the Nagpur Municipal limit, a hub of the Indian subcontinent and continues upto 50 Km near Kondhali. The Project involves widening of the existing 2-lane road to proposed 4 - lane dual carriageway. It shall include improvement, operation and maintenance including strengthening & widening of existing 2-lane road to proposed 4 - Lane dual carriageway from 9.2 km to 50 km of NH -6 (Nagpur - Kondhali Section) in the State of Maharashtra on BOT basis.

**Timeline for the Project:** Construction period is two and a half years and operation period is seventeen and a half years.

#### **Concession Agreement**

**Concessionaire:** Balaji Toll Ways Limited (Atlanta - SREI Joint Venture)

**Concession Period:** Twenty years inclusive of two and a half years of construction

#### **Obligations of Concessionaire (Balaji Toll Ways):**

- i. Make or cause to be made, necessary applications, to the relevant Governmental Agencies for all Applicable Permits.
- ii. Develop, design, engineer, finance, procure, construct, operate and maintain the project highway during the concession period.
- iii. Complete construction of the project within 30 months from the appointed date.
- iv. Undertake debt service payments in accordance with the financing documents.

#### **Obligations of NHAI:**

- i. Enable access to site, free from encumbrances
- ii. Assist and provide all reasonable support to the Concessionaire in obtaining Applicable permits.
- iii. Enter into the State Support Agreement.

**Rights of Balaji Toll Ways:** Balaji Toll Ways shall be entitled during the concession period to levy and collect fees from the user of the project highway.

#### **Project Revenue**

The SPV will derive its income from the NHAI grants and the toll proceeds. The total grant to be received for the project from NHAI is Rs. 571.11 million. The Company will receive the grant in parts of Rs. 285.51 million and Rs. 285.60 million during the construction period spread over from June 9, 2006 to December 9, 2008. Collection of toll will commence subsequently for a period of seventeen and a half years.



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**Scope of work for Atlanta Limited**

Atlanta Limited, lead member of the project, shall coordinate the following:

- Bidding Process (including coordination with NHAI)
- Project Documentation
- Design and Re-engineering
- Quality Assurance
- EPC and Project Management
- O&M and Toll Collection

**Scope of work for SREI Infrastructure Finance Limited**

SREI, the supporting financial member, shall coordinate and be responsible for the following:

- Project Structuring & Financial Modeling
- All fund Raising Financial Closure
- Financial Matters of the SPV

**Schedule of Implementation**

Activity	Commencement date	Completion date	Status
Design and Re-engineering	December 2005	March 2006	Completed
Mobilisation of Machinery, manpower	April 2006	December 2006	Commenced
EPC and Project Management	June 2006	December 2008	Commenced
Toll Collection	December 2008	June 2026	

**Note:** in the event that our Company is successful in completing EPC prior to December 2008, toll collection would commence immediately thereafter, therefore increasing the toll collection period. Likewise, if there is a delay in completion of EPC, the toll collection period would be reduced accordingly.

**2. Purchase of plant and machinery for Mining activities:**

Our Company already has a presence in the mining sector where it has been carrying out extraction of coal and limestone by deploying surface miners and allied equipment on a contract basis. It has successfully carried out contracts for extraction of coal and limestone over the past 10 years. For more details on the mining projects completed by our Company please refer to section titled “Our Business” beginning on page 51 of the Red Herring Prospectus. Currently, our Company is carrying out the work of extraction of coal for Mahanadi Coalfields Limited (“MCL”), a subsidiary of Coal India Limited at various locations.

MCL has awarded contracts for extracting 12.78 million cubic meters of coal over a period of 3 years, of which, the Company has extracted 6.37 million cubic meters as of June 30, 2006 and the balance quantity has to be extracted by October 31, 2007. Our Company proposes to acquire machinery for use in it’s mining business, which will enhance it’s capacity to extract coal for it’s existing contracts and also expects to use the same for completion of the ongoing contracts including the MCL contract ahead of schedule. This will also enable us to bid for similar contracts.

India has a large reserve of minerals such as mica, coal, limestone, lignite, bauxite and iron ore. It is the world’s largest producer of mica; third largest producer of coal, lignite and ranks among the top producers of iron ore, bauxite, manganese ore and aluminium. The large reserves are not being exploited to the optimum as can be seen from the large quantities of imports of these minerals for e.g. the steel industry imports a large quantity of it’s coal requirements. This shows that there is a potential for increasing production of these minerals. The Government of India has taken steps to encourage private sector participation in the mining sector.



The following are the machinery that we propose to purchase as investment in our mining business:

Sr. No.	Description	No of Units	Price (Rs. In Million)	Make	Quotation received from	Date of Quotation
1.	Volvo Loader L120E	4	37.13	Volvo	Svenska Technologies Private Limited	July 28, 2006
	Handling charges		0.46			
	<b>TOTAL</b>		<b>37.59</b>			

**Note:** We have not yet placed orders for the above machinery.

**Details of the machine for which order has been placed is as follows:**

(Rs. in million)

Sr. No.	Description	No. of Units	Price	Make	Order placed with	Date of Purchase Order	Expected Date of Delivery
1.	Surface Miner 2200 / 3800	1	30.18 <sup>1</sup>	Wirtgen	Wirtgen India	June 8, 2006	10 weeks from opening of LC
	Add: Duties and Taxes as applicable		12.97				
	<b>Total</b>		<b>43.15</b>				

<sup>1</sup>Assuming conversion rate of Rs. 59.77/Euro as on August 8, 2006 [Source: Economic Times dated August 9, 2006].

The above price excludes all applicable taxes and duties, which are estimated at Rs. 12.97 million. [12.5% basis duty, 16% Counterveiling duty, 2% cess, 2% education cess, 4% Ad Valorem duty and 1.25% handling charges]

### Schedule of Implementation

Activity	Commencement date	Completion date
Obtaining Quotations	December 2005	July 2006
Placement of Order	June 2006	September 2006
Opening of LC	September 2006	November 2006
Delivery of machinery	October 2006	December 2006
Deployment of machinery at project sites	December 2006	-

### 3. Real Estate Projects:

In the field of realty, we have completed well planned, designed, commercial properties and complexes, like Shree Amba Shanti Chambers, Atlanta Arcade and Atlanta Tower.

Our Company owns land admeasuring approximately 31,000 sq. mts. at Shil Phata, on NH-4 in Thane district which, we plan to develop and convert into a residential apartment complex with around 20 buildings with amenities like park, club house, jogging track, swimming pool.

Our Company estimates the cost of construction for this project to be Rs. 495 million, for an area of approximately 0.66 million sq. ft. The project will be executed in five phases over a period of 5 years. Rs. 50 million from the funds raised from this Issue shall be used to finance the first phase as per the following schedule of implementation.

### Schedule of Implementation

Activity	Commencement date	Completion date
Drawing up of design and plan for site	May 2006	October 2006
Approval of Thane Municipal Corporation for plan	October 2006	February 2007
Identifying and appointment of sub-contractors	December 2006	February 2007
Construction	March 2007	September 2008



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**Note:** Our Company has entered into a partnership deed dated May 5, 2006 for commercialization of property situated at Goregaon (East) Mumbai. In the event that there are delays in the commencement of the above mentioned project, we may use the proceeds of this Issue towards funding the commercialization of property at Goregaon as per the same schedule of Implementation as mentioned above.

**4. Purchase of plant and machinery for construction and real estate activities:**

Our Company has experience of over 20 years in infrastructure projects for Central Government, State Governments, Municipal Corporations and other local bodies located at various sites throughout the country. We have successfully completed Vapi - Amethi, Vapi - Daman Road in April 2004, Surat - Dhulia Road in August 2005. At present, we have 7 projects at various stages of execution at Lucknow, NH-5 in the state of Orissa, Western Express Highway, S.V. Road (Mumbai), Mumbra (Thane District), etc. For more details on our existing projects, please refer to section titled “Our Business” beginning on page 51 of the Red Herring Prospectus.

Our Company requires large investment in capital equipment for execution of different projects under EPC and BOT contracts. The additional equipment would enable us to expedite completion of projects in hand and bid for new projects. We have estimated Rs. 54.90 million for procurements of plant and machinery for construction activity.

The main items of plant and machinery are as under:

Description	Probable Suppliers	Quantity	Estimated cost per unit (Rs. in Million)	Total Cost (Rs. In Million)	Date of Quotation
Motor Grader 120H1	TIL Limited	2	8.32*	16.64	June 28, 2006
Cat 320 CL Hydraulic Excavator1	TIL Limited	1	5.86	5.86	June 28, 2006
Soil Compactor SD 110	Ingersoll-Rand (India) Limited	2	2.38**	4.76	April 27, 2006
Asphalt Compactor DD90	Ingersoll-Rand (India) Limited	2	2.68**	5.37	April 27, 2006
Pneumatic Tyre Roller RTR 220	Ingersoll-Rand (India) Limited	1	3.05**	3.05	April 27, 2006
IR -ABG TITAN 326 Paver2	Ingersoll-Rand (India) Limited	1	19.22*	19.22	April 29, 2006
	<b>Total</b>			<b>54.90</b>	

<sup>1</sup>Assuming conversion rate of Rs. 46.55/USD as on August 8, 2006 [Source: Economic Times dated August 9, 2006].

<sup>2</sup>Assuming conversion rate of Rs. 59.771/Euro as on August 8, 2006 [Source: Economic Times dated August 9, 2006].

\* Includes 12.5% basis duty, 16% Counterveiling duty, 2% cess, 2% education cess, 4% Ad Valorem duty and 1.25% handling charges

\*\* Includes Excise Duty at 16.32%, Handling and other charges at 1% and Sales Tax at 4% on price after addition of Exise Duty and Handling charges.

The above cost of each item is indicative and based on estimates as per prevailing market rates and previous orders for similar equipment. The actual cost may vary.

We do not intend purchasing any second hand plant and machinery for any of our proposed projects.

**Schedule of Implementation**

Activity	Commencement date	Completion date
Obtaining Quotations	December 2005	April 2006
Placement of Order	September 2006	November 2006
Opening of LC (if required)	September 2006	November 2006
Dellivery of machinery	October 2006	December 2006
Deployment of machinery at project sites	December 2006	-



**5. Repayment of high cost debt:**

The Company has been sanctioned loans from banks. The amount sanctioned and amount availed and interest thereon as on March 31, 2006 is as under:

(Rs. in million)

Sr. No.	Name of the Bank	Sanctioned Limit	Amount availed and interest thereon as on March 31, 2006	Amount to be repaid from Issue proceeds
1.	State Bank of India (LOC)	50.00	50.54	50.00
2.	Bank of India (Cash Credit)	50.00	50.85	31.00
3.	Punjab National Bank (Temporary Over Draft)	20.00	20.72	19.00
	<b>TOTAL</b>	<b>120.00</b>	<b>122.11</b>	<b>100.00</b>

**6. Incremental Working Capital Requirement**

The existing working capital limits enjoyed by us as on July 31, 2006 are Rs. 439 million (fund based limit) and Rs.1,700 million (non-fund based). The working capital requirement after the implementation of proposed projects has been estimated by our Company at Rs. 621.56 million (fund based).

The requirement of working capital is as follows:

(Rs. in million)

Particulars	March 31, 2006 (Audited)	March 31, 2007 (Estimated)
Current Assets		
WIP	400.90	290.71
Stock	63.94	132.04
Sundry Debtors	662.52	667.14
Cash and Bank	14.33	21.50
Deposit - Guarantees	50.47	75.00
Advance - Deposits	104.57	140.00
<b>Total</b>	<b>1296.73</b>	<b>1326.39</b>
Current Liabilities		
Sundry creditors	472.67	652.33
Liabilities - Other than Bank borrowing	48.87	52.50
<b>Total</b>	<b>521.54</b>	<b>704.83</b>
Working Capital Gap	775.19	621.56
Finance by		
Less : - Available net Working Capital as on 31/03/06		775.19
Long term requirement		(153.63)

**Note:** The long term working capital requirement for the year 2006-07 was estimated at Rs.100.35 million based on the available net working capital as on September 30, 2005. The internal accruals generated by our Company for the year 2005-06 has exceeded the estimates and hence the long term working capital requirement has been met from internal accruals generated by our Company as stated in "Sources of Financing of Funds Already Deployed" hereinafter.



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### Assumptions for the calculation of Working Capital Requirement

Assumptions	2006-07
Work in Progress	2 months' contract receipts
Stock	1 month's contract receipts
Sundry Debtors	5 months' contract receipts
Sundry Creditors	4.9 months' contract receipts

#### 7. Issue Expenses:

The Issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses, Registrar and depository fees. The estimated Issue expenses are set forth below: **(Rs. in Millions)**

Activity	Estimated Expense*
Lead Management, underwriting and selling commissions	[•]
Advertising and marketing expenses	[•]
Printing and Stationery expenses	[•]
Others	[•]
<b>Total estimated Issue expenses</b>	<b>[•]</b>

\* Shall be updated at the time of filing of the Prospectus with the RoC

#### INTERIM USE OF FUNDS

Pending any use as described above, the proceeds of this Issue will be kept in fixed deposits with nationalized or scheduled commercial banks.

#### FUNDS DEPLOYED

The details of the sources and deployment of funds as on July 31, 2006 as per the certificate of M/s. Suresh C. Maniar & Co., Chartered Accountants our Auditors dated August 4, 2006, are as under:

Activity	Amount Spent
Towards Equity Share Capital of M/s. Balaji Toll Ways Limited	170,000
Share Application Money paid to SPV (M/s. Balaji Toll Ways Limited)	12,997,452
Towards Working Capital Requirement of our Company	108,799,205
<b>TOTAL</b>	<b>121,966,657</b>

#### SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

We have made the above-mentioned payments from our internal accruals.

#### Monitoring of Utilisation of Funds

Our Company has appointed Punjab National Bank to monitor the utilisation of the proceeds of the Issue. In addition to the Monitoring Agency, our Board will also monitor the utilisation of the Issue proceeds on a regular basis. We will disclose the utilisation of the proceeds raised through this Issue under a separate head in our financial statements for fiscal 2007 and 2008 clearly specifying the purposes for which such proceeds have been utilised. We will also, in our financial statements for fiscal 2007 and 2008, provide details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue.

No part of the proceeds of this Issue will be paid by us as consideration to our Promoters, our Directors, key management employees or companies promoted by our Promoters, save and except in the course of normal business.





## BASIC TERMS OF ISSUE

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

For more details on the same, please refer sections titled “Issue Structure” and “Terms of the Issue” beginning on pages 142 and 144 of the Red Herring Prospectus.



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## BASIS OF ISSUE PRICE

The Price Band for the Issue Price will be decided by us in consultation with the BRLMs and specified in the Red Herring Prospectus that will be filed with the Registrar of Companies. The Price Band will also be advertised in, an English language newspaper, a Hindi language newspaper with wide circulation and a regional language newspaper. The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs. 10/- and the Issue Price is 13 times the face value at the lower end of the Price Band and 15 times the face value at the higher end of the Price Band

## QUALITATIVE FACTORS

1. Our Promoter, Mr. Rajhoo Bbarot has a vast experience in the construction industry. His vision and foresight has helped our Company grow over the years.
2. Our Company is a professionally managed company.
3. We have a track record of completing projects in the stipulated time schedule without compromising on the quality of work
4. We have successfully completed a BOT project in the past
5. We own and employ modern, specialised and critical equipment like excavators, dumpers, dozers, WMM sensor Paver, bituminous sensor paver, hot mix plants, crushing plants, which are essential to execute large projects effectively.
6. We have entered into project specific or Generic Joint Ventures with different companies to meet pre-qualification criteria for various projects tendered by NHAI and SSNNL.
7. We have completed many construction projects awarded by Public Works Department, Airport Authority of India, Municipal Corporations, Military Engineering Services, National Highways Authority of India.
8. The management systems of our Company comply with the requirements of ISO 9001 : 2000 in respect of construction of highways, bridges, airfield's pavements, drainage works and BOT.

## QUANTITATIVE FACTORS

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

### 1. Adjusted Basic Earnings Per Share (EPS)

Period	Rupees	Weights
Year ended March 31, 2004	5.99	1
Year ended March 31, 2005	8.07	2
Year ended March 31, 2006	14.89	3
<b>Weighted Average</b>	<b>11.13</b>	

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

Based on the results of FY 2006, adjusted EPS is Rs 14.89 on the Equity Share of Face Value of Rs 10 each and the P/E Multiple is [●] times at an issue price of Rs. [●]

### 3. Return on Average Net Worth as per restated financials

Period	%	Weights
Year ended March 31, 2004	13.8	1
Year ended March 31, 2005	14.11	2
Year ended March 31, 2006	23.66	3
<b>Weighted Average</b>	<b>18.83</b>	

**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 is [●] to [●].

**5. Net Asset Value per Equity Share of face value of Rs. 10/- as at March 31, 2006- Rs.44.40**

Net Asset Value per Equity Share represents shareholders' equity as per restated financial statements less revaluation reserves and miscellaneous expenses as divided by Equity Shares outstanding at the end of the period.

**6. Net Asset Value per Equity Share after Issue**

Net Asset Value per Equity Share after the Issue is [●]

Issue Price per Equity Share: [●]

Issue Price per share will be determined on conclusion of the book building process.

**7. Comparison of Accounting Ratios**

Name of the Company in the Peer Group	Period Ended	Accounting Ratios			
		Book Value (Rs.)	RONW (%)	EPS (Rs.)	P/E multiple
Sadbhav Engineering	March 2006	115	14.5	12.70	20.80
Unity Infraprojects Limited		212.20	30.30	18.40	17.70
Pratibha Industries Limited		57.60	24.40	8.60	15.50
Atlanta Limited		44.40	23.66	14.89	-

Source - Capital Market July 31 - August 13, 2006 [For all the above companies except Atlanta Limited]

**8. The face value of Equity Shares of our Company is Rs. 10/- and the Issue Price is [●] times of the Face Value.**

The Issue Price of Rs. [●] has been determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares by way of Book Building and is justified on the basis of the above factors.



ATLANTA LIMITED

**G. STATEMENT OF TAX BENEFITS**

**SURESH C. MANIAR & CO.  
CHARTERED ACCOUNTANTS  
87, ARCADIA,  
195 NARIMAN POINT  
MUMBAI - 400 021**

To,

**The Board of Director  
Atlanta Limited**

101, Shree Amba Shanti Chambers,  
Andheri kurla Road,  
Andheri (E),  
Mumbai 400 059.

We hereby report that the enclosed annexure states the possible tax benefits available to **Atlanta Limited** (the “Company”) and its shareholders under the current tax laws presently in force in India as **amended by the Finance Act, 2006**. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

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

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

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

**FOR SURESH C. MANIAR & CO.  
CHARTERED ACCOUNTANTS**

-Sd/-

**K. V. SHETH**  
PARTNER  
M. NO.30063

Mumbai

Dated : 29th April, 2006



**STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO ATLANTA LIMITED (the “Company”)  
AND ITS SHAREHOLDERS**

**(A) BENEFITS AVAILABLE UNDER THE INCOME-TAX ACT, 1961 (THE ‘ACT’)**

**I TO THE COMPANY**

1) Exemption under section 80IA

The Company is eligible to deduction under section 80IA of the Act in respect of the profits and gains derived from the eligible projects (undertakings) of infrastructure development for a period of 10 consecutive years, falling within the first 15 years, beginning from the year in which eligible undertaking start developing the Infrastructure facility on complying with the conditions specified in the said section.

2) Exemption under section 80IB

The Company is eligible to deduction under section 80IB of the Act in respect of the profits and gains derived from the business of developing and building housing projects approved by a local authority on complying with the conditions specified in the said section.

3) Exemption under Section 10(23G)

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

4) Depreciation under Section 32

In accordance with and subject to the provisions of section 32 of the Income tax Act, the company will be allowed to claim depreciation on specified tangible and intangible assets as per the rates specified. Besides normal depreciation, the company, in terms of section 32(1)(iia), shall be entitled to claim depreciation @ 25% of actual cost on new plant and machinery acquired after 31st March, 2005

5) Preliminary Expenses under Section 35D

In accordance with and subject to the provisions of section 35D of the Income tax Act, the company will be entitled to amortise, over a period of five years, all expenditure in connection with the proposed public issue subject to the overall limit specified in the said section.

6) Dividends exempt under Section 10(34)

Dividends (whether interim or final) declared, distributed or paid by any Indian Company are exempt in the hands of Company as per the provisions of Section 10(34) of the Act.

7) Lower Tax rate under Section 112 on Long term Capital gains

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

8) Lower Tax rate under Section 111A on short term Capital gains

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

9) Exemption of Long term capital gain under Section 10(38)

According to section 10(38) of the Act, long-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to STT shall be exempt from tax.



10) Exemption of Long term capital gain under Section 54EC

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

11) Exemption of Long term capital gain under Section 54ED

According to the provisions of section 54ED of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising from transfer of long term assets, being listed securities or units shall not be chargeable to tax to the extent such gains are invested in acquiring equity shares forming part of an “eligible issue of share capital” within six months from the date of transfer of the long term assets (provided they are not transferred within one year of acquisition). Eligible issue of share capital has been defined as an issue of equity shares which satisfies the following conditions:

- i. the issue is made by a public company formed and registered in India; and
- ii. the shares forming part of the issue are offered for subscription to the public.
- iii. However, if the above specified shares are sold or otherwise transferred within a period of one year from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the shares are sold or otherwise transferred.

## II. TO RESIDENT SHAREHOLDERS

1) Dividends exempt under Section 10(34)

Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act.

2) Exemption of Long term capital gain under Section 10(38)

According to section 10(38) of the Act, long-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to STT shall be exempt from tax.

3) Lower Tax rate under Section 112 on Long term Capital gains

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

4) Lower Tax rate under Section 111A on Long term Capital gains

As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess). Exemption of capital gain from income tax 1. According to section 10(38) of the Act, long-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be exempt from tax.

5) Exemption of Long term capital gain under Section 54EC

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Where the benefit of section 54EC has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.



6) Exemption of Long term capital gain under Section 54ED

According to the provisions of section 54ED of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising from transfer of long term assets, being listed securities or units shall not be chargeable to tax to the extent such gains are invested in acquiring equity shares forming part of an “eligible issue of share capital” within six months from the date of transfer of the long term assets (provided they are not transferred within one year of acquisition). Eligible issue of share capital has been defined as an issue of equity shares which satisfies the following conditions:

- i. the issue is made by a public company formed and registered in India; and
- ii. the shares forming part of the issue are offered for subscription to the public.
- iii. However, if the above specified shares are sold or otherwise transferred within a period of one year from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the shares are sold or otherwise transferred.
- iv. The issue of shares by the Company being an eligible issue of share capital, the subscribers thereto would be eligible to claim the exemption granted under section 54ED.
- v. Where the benefit of section 54ED has been availed of on investments in the equity shares forming part of an eligible issue of share capital, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

7) Exemption of Long term capital gain under Section 54F

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family (‘HUF’), gains arising on transfer of a long term capital asset (not being a residential house), other than gains exempt under section 10(38), are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

8) Rebate under section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head “Profits and gains of business or profession” arising from purchase or sale of an equity share in a company entered into in a recognised stock exchange, i.e., from taxable securities transactions, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

### III TO NON-RESIDENT INDIAN SHAREHOLDERS

1) Dividends exempt under Section 10(34)

Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act.

2) Lower Tax rate under Section 112 on Long term Capital gains

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

3) Lower Tax rate under Section 111A on Long term Capital gains

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



4) Options available under the Act

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

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

- i. According to the provisions of section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.
- ii. According to the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
- iii. As per the provisions of Section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- iv. Under Section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- v. As per the provisions of Section 115 I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total
- vi. income for that assessment year will be computed in accordance with the other provisions of the Act.

5) Exemption of Long term capital gain under Section 10(38)

According to section 10(38) of the Act, long-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be exempt from tax.

6) Exemption of Long term capital gain under Section 54EC

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Where the benefit of section 54EC has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.





7) Exemption of Long term capital gain under Section 54ED

According to the provisions of section 54ED of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising from transfer of long term assets, being listed securities or units shall not be chargeable to tax to the extent such gains are invested in acquiring equity shares forming part of an “eligible issue of share capital” within six months from the date of transfer of the long term assets (provided they are not transferred within one year of acquisition). Eligible issue of share capital has been defined as an issue of equity shares which satisfies the following conditions:

- i. the issue is made by a public company formed and registered in India; and
- ii. the shares forming part of the issue are offered for subscription to the public.
- iii. However, if the above specified shares are sold or otherwise transferred within a period of one year from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the shares are sold or otherwise transferred. The issue of shares by the Company being an eligible issue of share capital, the subscribers thereto would be eligible to claim the exemption granted under section 54ED.
- iv. Where the benefit of section 54ED has been availed of on investments in the equity shares forming part of an eligible issue of share capital, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

8) Exemption of Long term capital gain under Section 54F

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house), other than gains exempt under section 10(38), are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

9) Rebate under section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head “Profits and gains of business or profession” arising from purchase or sale of an equity share in a company entered into in a recognised stock exchange, i.e., from taxable securities transactions, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

10) Tax Treaty benefits

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

#### IV TO OTHER NON-RESIDENTS

1) Dividends exempt under Section 10(34)

Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act.

2) Lower Tax rate under Section 112 on Long term Capital gains

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



3) Lower Tax rate under Section 111A on Long term Capital gains

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

4) Exemption of Long term capital gain under Section 10(38)

According to section 10(38) of the Act, long-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be exempt from tax.

5) Exemption of Long term capital gain under Section 54EC

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising to the assessee on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer.

However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Where the benefit of section 54EC has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

6) Exemption of Long term capital gain under Section 54ED

According to the provisions of section 54ED of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising from transfer of long term assets, being listed securities or units shall not be chargeable to tax to the extent such gains are invested in acquiring equity shares forming part of an “eligible issue of share capital” within six months from the date of transfer of the long term assets (provided they are not transferred within one year of acquisition). Eligible issue of share capital has been defined as an issue of equity shares which satisfies the following conditions:

- i. the issue is made by a public company formed and registered in India; and
- ii. the shares forming part of the issue are offered for subscription to the public.
- iii. However, if the above specified shares are sold or otherwise transferred within a period of one year from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the shares are sold or otherwise transferred.
- v. Where the benefit of section 54ED has been availed of on investments in the equity shares forming part of an eligible issue of share capital, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

7) Exemption of Long term capital gain under Section 54F

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house), other than gains exempt under section 10(38), are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, 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.

8) Rebate under section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head, “Profits and gains of business or profession” arising from purchase or sale of an equity share in a company entered into in a recognised stock exchange, i.e., from taxable securities transactions, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

9) Tax Treaty benefits

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

**V TO FOREIGN INSTITUTIONAL INVESTORS ('FIIS')**1) Dividends exempt under section 10(34)

Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of section 10(34) of the Act.

2) Benefits on taxability of capital gains

As per the provisions of section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under section 10(38) of the Act at the following rates:

<b>Nature of income</b>	<b>Rate of tax (%)</b>
Long term capital gains	10
Short term capital gains	30

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

3) Exemption of Long term capital gain under Section 10(38)

According to section 10(38) of the Act, long-term capital gains on sale of shares where the transaction of sale is chargeable to STT shall be exempt from tax.

4) Exemption of Long term capital gain under Section 54ED

As per the provisions of Section 54ED of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising from transfer of long term assets, being listed securities or units shall not be chargeable to tax to the extent such gains are invested in acquiring equity shares forming part of an "eligible issue of share capital" within six months from the date of transfer of the long term assets (provided they are not transferred within one year of acquisition).

Eligible issue of share capital has been defined as an issue of equity shares which satisfies the following conditions:

- i. the issue is made by a public company formed and registered in India; and
- ii. the shares forming part of the issue are offered for subscription to the public.
- iii. However, if the above specified shares are sold or otherwise transferred within a period of one year from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the shares are sold or otherwise transferred.

5) Rebate under section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share in a company entered into in a recognised stock exchange, i.e., from taxable securities transactions, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

6) Tax Treaty benefits

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



ATLANTA LIMITED

## **VI TO APPROVED INFRASTRUCTURE CAPITAL FUNDS / COMPANIES/ CO-OPERATIVE BANKS**

### 1) Dividends exempt under section 10(34)

Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of section 10(34) of the Act.

### 2) Exemption of Long term capital gain under Section 10(38)

According to section 10(38) of the Act, long-term capital gains on sale of shares where the transaction of sale is chargeable to STT shall be exempt from tax.

## **VII TO MUTUAL FUNDS**

### Exemption of Income under Section 10(23D)

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 authorised by the Reserve Bank of India would be exempt from income tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

## **(B) BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957**

### Exemption from Wealth Tax

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.

## **(C) BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT, 1958**

### Exemption from Gift Tax

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.

**The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares. The statements made above are based on the tax laws in force and as interpreted by the relevant taxation authorities as of date. Investors are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of equity shares.**



## IV. SECTION: ABOUT US

### A. INDUSTRY

Infrastructure has continued to be one of the most important areas gaining the attention of policymakers over the past few years. The Planning Commission of India is determined to substantially increase infrastructure investment. There seems to be a consensus among policymakers that the issue of infrastructure needs immediate and urgent attention. After several years of hiatus, infrastructure investment is witnessing a pickup - albeit at a gradual pace.

A set of measures are being introduced by the Government for different sectors to accelerate infrastructure spending. The infrastructure investment is expected to pick up to US\$47 billion (4.7% of GDP) by financial year 2009 from US\$24 billion (3.5% of GDP) currently. Although this is a relatively moderate pickup, it should provide impetus to the overall investment cycle, including the manufacturing sector.

#### **The Infrastructure Challenge**

The complexity surrounding infrastructure development is being resolved quickly. The biggest hurdle was the political environment. This is evident from trends in government capital expenditure, which has declined significantly. Lack of political will to work towards longer payback period oriented infrastructure spending was the overriding generic concern.

Among other things,

**First**, the state of the government balance sheet allowed little scope for a major rise in infrastructure spending from public resources.

**Second**, over the years, the ability of the Government administrative machinery to handle large infrastructure projects efficiently had deteriorated.

**Third**, political interference resulted in a large gap between user charges and the costs of operating infrastructure utilities. Often the Government covered the subsidy gap by overburdening the paying customer - mostly industrial users. In many cases, the gap in collection was not just due to legitimate subsidization, but also to widespread theft. This was a critical problem, considering that a substantial proportion of infrastructure utilities were owned by the Government or Government-owned entities.

**Fourth**, poor private participation was also a hurdle to improving efficiency. It is believed that, for many infrastructure sectors (such as electricity), the only way to ensure significant improvements in service is privatization. Over 90% of the electricity distribution network is owned by the Government or Government-owned entities.

#### **The Government made a Fresh Effort**

Policymakers became increasingly cognizant of the gap in the infrastructure sector. The Government implemented a select set of measures to increase spending in various infrastructure segments. It extended the National Highway Development Plan to seven phases, covering 65,000 kms of national highways, from two phases, involving 13,000 kms previously. The Government also reworked some of its existing spending schemes into new ones under the "Bharat Nirman" banner with a more focused approach to improving rural infrastructure development. The Government has also taken up the restructuring and privatization of Delhi and Mumbai airports, and the construction of greenfield airports at six metros. In the rail sector, a greenfield railway network dedicated to freight traffic (Freight Corridor) is also planned, along with additions to greenfield metro projects at three cities.

#### *New Execution Styles Are Evolving*

The Government's poor track record in managing infrastructure assets restrained top policymakers from aggressively pushing for public investment. The Government, therefore, is working to provide some impetus to infrastructure by bringing in new styles of execution. The new road development program by the National Highway Authority of India (NHAI) to build the Golden Quadrilateral (GQ) road network connecting four major metros is a good example to follow. The previous Government created a new independent authority to be directly responsible for the highway infrastructure.

The Government has also involved the private sector, whereby contracts have been awarded to private players at agreed terms.

The NHAI operates largely as an independent supervisory authority. Although the NHAI is facing hurdles in ensuring the completion of these projects on time due to delays in land acquisition, removal of encroachments and environmental issues, overall progress under this new structure has been much better than that achieved traditionally. The Government is also pushing hard for more public/private partnerships in infrastructure projects.



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### *Total Infrastructure Spend to Rise to US\$47 bn by financial year 2009*

Despite the challenges, a rise is expected in infrastructure spending over the next few years. We believe that the point for infrastructure spending has already occurred, with infrastructure spending picking up.

As per Mr. Montek Singh Ahluwalia, Deputy Chairman of the Planning Commission, the Government has decided to move towards six-laning of the Golden Quadrilateral road network, connecting the four metros of Delhi, Chennai, Mumbai and Kolkata. The Golden Quadrilateral road network runs into a length of 5,846 kilometres and over 5,000 km of it have been four laned. Addressing the Economic Editors, Conference, Mr. Ahluwalia said that Government has also mapped out the phases 4,5 and 6 for the National Highways Development Programme (NHDP) that would extend over the next seven years. This was besides the NHDP (phase III) involving road construction of about 10,000 km. (Source : *Civil Engineering & Construction Review - January, 2006 issue*).

### **Construction in India**

Construction activity is an integral part of a country's infrastructure and industrial developments. It includes transportation (highways, roads, ports, railways, airports); power systems; irrigation and agriculture systems; telecommunication; urban infrastructure (water supply, sewerage, drainage hospitals, schools, townships, offices, houses) and other buildings etc. Therefore, construction becomes the basic input for socio-economic development. Besides, the construction industry generates substantial employment and provides a growth impetus to other sectors through backward and forward linkages.

With the present emphasis on creating physical infrastructure, massive investments are planned during the Tenth Plan. According to the Tenth Five Year Plan, the cumulative investment requirement during 2001-02 to 2005-06 has been estimated at US\$ 156 billion. Of this, 40 per cent is required in the power sector, 11 per cent in telecom and around 14 per cent in roads and railways. In order to meet the intended investment targets in time, the current capacity of the domestic construction industry would need considerable strengthening.

The outputs of the construction industry become the asset of a nation. Investment in the construction industry activates many other industries such as cement, steel, bricks/tiles, aluminium, construction equipment, mineral products etc; and it has the maximum forward and backward linkage advantage.

### **Share of Construction Sector in Gross Domestic Product (GDP) and Gross Capital Formation (GCF):**

The share of the construction sector in GDP, which was 5.4 per cent in 1970-71, came down to 4.4 per cent in 1990-91 and subsequently it climbed to 5.1 per cent in 1999-2000. The share of the construction sector in total gross fixed capital formation (GCF) came down from 60 per cent in 1970-71 to 34 per cent in 1990-91. Thereafter, it increased to 48 per cent in 1993-94 and stood at 44 per cent in 1999-2000. Clearly, there has been a decline in the share of construction sector in the GDP and capital formation.

*(Source: Tenth Five Year Plan: 2002-2007)*

As mentioned above the main reason for this was reduced Government spending on physical infrastructure in the last decade due to fiscal constraints. Though there has now been an increasing emphasis on involving the private sector in infrastructure development through public-private partnerships and mechanisms as Build- Operate- Transfer (BOT), Build-Own-Operate-Transfer (BOOT), private sector investment has not reached the expected levels. The Government is now providing substantial fiscal stimuli by way of programmes like the National Highways Development Programme (NHDP), Pradhan Mantri Gram Sadak Yojana (PMGSY), power projects etc. which would provide necessary impetus to the construction sector. Considering the significance of the construction sector, it is necessary to identify the major issues affecting the efficiency of the sector and take corrective action.

### **Characteristics of the Construction Industry**

**Capital Structure:** Construction activities are often funded by the client who make cash advances as stage payments against a bank guarantee. They are reflected as interest / non-interest bearing project advances (mobilization advance) on its balance sheet.

**Profitability:** Profit margins tend to vary across various segments such as roads, tunnels, dams, bridges, power projects and industrial applications. Large, complex jobs such as power projects; nuclear projects enjoy higher margins in relation to EPC road works, which are relatively low-tech jobs. Profitability in the industry, therefore, tends to vary across segments. However profitability in BOT sector is better due to limited players in the field.

**Contingent Liabilities:** Due to project based type of work, construction companies often carry substantial contingent liabilities in the form of guarantees in order to comply with specific client requirements.



**Joint Ventures:** Due to the relatively small size of many construction companies, the diversity of expertise required and the high project values involved, bids are increasingly placed in consortia. Examples have been the NHAI road works & large complex hydro-electric projects.

**Construction Risks:** Profitability on each project is subject to problems on mispricing, adverse conditions, geological conditions, management of specification changes and the outcome of claims on completions. As per AS-7 of the Indian Accounting Standards, construction companies are required to recognise all losses incurred and foreseeable in the respective accounting period.

**Credit Risk:** The strength of clients on whom the receivables are being generated is important. In general, programmes with strong counter party credits such as the NHDP programme, power projects floated by NHPC, NPC and other projects on multilateral funding are observed to make regular payments to the contractors. State-funded projects, in general, pose some degree of difficulty for the contractors. Contractors usually secure project advances from clients to keep them committed to the projects. It is also important to understand the political implications of the project being executed (For instance, the Water Supply Canal Schemes are politically important for the Gujarat Government and, hence, will assume a higher priority over other projects of the Gujarat Government).

### Indian Road Network

With a total length of approximately 3.3 million kilometres, India has the second largest road network in the world. Roads have played a vital role in transportation and also enhancing trade. The Government has taken initiatives to improve and strengthen the network of National Highways, State Highways and roads in major districts and rural areas. In terms of private sector participation in road projects, the Government has received an encouraging response from private investors, both foreign and domestic. Estimates show that Indian roads carry almost 67 per cent of freight and 8 per cent of passengers annually. In India, road traffic is growing at a considerable pace. According to estimates, traffic on roads is growing at a rate of 7 to 10 per cent per annum. The national highways cater to about 45 per cent of the road transport demand in the country. The growth in the number of vehicles has been around 12 per cent per annum. The Indian road network is divided into three main categories:

Type	Length (in Km)
National Highway	65,569*
State Highway	1,31,898
Major District Road	4,67,763
Village & Other Road	26,50,000
<b>Total</b>	<b>33,00,000 Km. (Approx)</b>

\*National Highways are less than 2% of network but carry 40% of total traffic.

Since National Highways comprise about 2% of the total road length in the country and yet carry over 40% of total traffic, the first and the foremost task mandated to the NHAI is the implementation of NHDP- comprising of the Golden Quadrilateral and North-South & East-West Corridors. In addition to the projects under NHDP, the NHAI is also currently responsible for about 1,000 km of highways connecting major ports and also on National Highways 8A, 24, 6, 45 and 27. Highways length with NHAI currently is around 14,162 km.

### Recent Initiatives in the Roads Sector

A number of road projects have been initiated to strengthen the road network. The National Highways Development Project (NHDP Phase I & II) comprises of 5,846 km Golden Quadrilateral (GQ) connecting the four major metro cities, 7,300 km of North- South & East- West corridors and 1,133 km of port connectivity and other projects at an investment of US\$ 12 billion. Already over 4000 kms of road length has been constructed.

To tackle the resource constraint, Central Road Fund (CRF) has been augmented to mobilize the dedicated cess fund levied on diesel and petrol. This fund is being leveraged for market borrowings and is being used for implementation of NHDP. In addition, innovative methods of financing such as Build Operate and Transfer (BOT), annuity based BOT and Special Purpose Vehicle (SPV) systems have been put in place to attract the private sector.

Measures initiated by the Government to improve the road network are as follows:

- Capital grant up to 40 per cent of project cost to enhance viability on a case-to-case basis
- Entrepreneur allowed to collect and retain tolls in BOT projects



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- 100 per cent Foreign Direct Investment (FDI) allowed in road sector projects
- 100 per cent tax exemption in any consecutive 10 years out of 20 years
- Duty free import of specified modern high capacity equipment for highway construction
- Control of National Highways Bill 2002 passed to prevent unauthorized occupation of highway land
- The Central Road Fund was augmented and the corpus of this fund would be utilised for the development of State and National Highways. The Government has imposed a cess of US\$ 0.03 per litre on petrol and diesel to mop up funds for the development of roads.

**Progress of NHDP (as on August 31, 2004)**

Length (in kms)	GQ	NS-EW	Port Connectivity Total And other projects	Total
Total	5846	7300	1133	14279
Completed	3121	653	263	4037
Under implementation	2725	410	350	3485
Balance length to be awarded	0	6211	520	6731
Cumulative expenditure ( US\$ billion)	4.09	0.49	0.35	4.93

*Source: Department of Road Transport & Highways, Ministry of Shipping, Road Transport & Highways*

**Targets / Achievements during Ninth and tenth Five Year Plan**

Sr. No.	Activity	Targets / Achievements	Ninth Plan (1997-2002)	Tenth Plan		
				Annual Plan (2002-03)	Annual Plan (2003-04)	Annual Plan (2004-05)
1.	Widening to 2- lanes (km)	Targets	1791	829	701	832
		Achievements	1955	710	671	221*
2.	Widening to 4- lanes (km)	Targets	944	582	2245	2945
		Achievements	792	418	799	841*
3.	Strengthening weak 2-lane km)	Targets	3042	1260	3016	3535
		Achievements	3511	1109	1489	1087*
4.	By-passes (Nos.)	Targets	59	21	20	12
		Achievements	30	12	6	3*
5.	Construction of Bridges / ROBs / RUBs including rehabilitation of Bridges (Nos.)	Targets	633	175	182	232
		Achievements	442	143	123	30*

\*Annual Plan 2004-05, Achievements up to October 2004.

(Source : Website of MoRTH)





## Future Targets

The Government is planning to allot road projects worth Rs. 1,50,000 crore to private players by 2012. Out of Rs 1,85,000 crore to be invested in road projects by the year 2012 around 80% of works will be executed by the private companies. The Government plans to invest Rs 1,85,000 crore in roads, Rs. 60,000 crore in ports and Rs. 40,000 crore in airport projects. The Government has decided to connect all roads and railways missing links to ports and a dedicated railway freight corridor will be developed shortly. The Government has also upped the future road project investments from Rs. 172,000 crore to Rs. 185,873 crore. The Government intends to invite investment proposals for Rs. 42,000 crore in balance work in NHDP I and II, Rs. 55,000 crore in NHDP III, Rs. 25,000 crore in NHDP IV, Rs. 40,250 in NHDP V, Rs. 15,000 crore in NHDP VI, Rs. 15,000 crore in NHDP VII and Rs. 14,623 crore in the Special Accelerated Road Development Programme for the North Eastern Region.

Source : *Construction World, February 2006 edition.*

## Private Sector Participation in the Roads Sector

Liberalisation of the economy has resulted in a noticeable increase in private sector participation in construction and operation of highways. The Government has initiated about 50 'public private partnership' projects costing around US\$ 2 billion under the Build-Operate-Transfer (BOT) scheme (Toll Based, Annuity and SPVs). This includes an agreement between NHAI and CIDB Inventure, Malaysia, in May 2001 for four-laning of NH-5 and NH-9 for US\$ 0.15 billion. Other foreign players who have participated in the roads sector are - AIDC Group of USA and STRADC of Philippines for the Vivekananda Bridge project; DS Construction Ltd of UK (JI-DSC) for Delhi-Gurgaon Expressway Project (along with Jaiprakash Industries Ltd). NHDP Phase-III projects are to be funded on BOT basis.

Source : <http://dipp.nic.in>

## Contractual agreements in the construction industry

The construction industry operates on the basis of contractual agreements. Different types of contracts have been developed over the years keeping in line with the changing nature and needs of the economy. The major types of contracts have been enumerated below

Item rate / Unit-price contract - The client obtains a feasibility study from a design consultant. This study forms the basis for deciding the pre-qualification criteria for the project. This is one of the distinguishing features of the industry wherein the criteria for each project are different depending on the location, climate and other existing conditions. The pre-qualified contractors are invited to submit the technical and financial bids. The bids have to be quoted for each activity individually and the most competitive bid is awarded the contract.

Lump sum Turnkey / Engineering Procurement and Commissioning -The contractors are required to quote a fixed sum for execution of the entire project from design and engineering to the execution of the contract. The department will provide the tentative quantities involved and any increase or decrease of the quantities will have to be absorbed by the contractor.

### Public Private Partnerships

The Government of India has recognized that its budgetary resources are insufficient to develop the critical infrastructure required in the country. Government has also recognized that infrastructure projects have a long gestation period and may not be fully financially viable on their own. On the other hand, it may be possible to ensure financial viability through a mechanism that provides Government support to reduce project costs. Hence, it has attempted to attract the private sector's resources and techno managerial efficiencies by promoting public private partnerships (PPP) in infrastructure development. The most popular form of PPP is the BOT mechanism.

Annuity -The contractor constructs and maintains the facility for which he is paid a fixed sum on an annual or semi-annual basis as per the terms of the contract. The contract is awarded to the contractor who quotes the least amount of annual payment. The risk in such projects is low since the contractor is assured of a fixed amount on a regular basis.

Special Purpose Vehicles can be formed for funding road projects. SPVs are separate legal entities formed under the Companies Act. It involves less cash support from the client in the form of equity/debt; rest of the funds come from Financial Institutions/beneficiary organisations in the form of equities or debt. The amount spent on developments of roads/Highways is to be recovered in prescribed concession period by way of collection of toll fee by the SPV.

Build-Operate-Transfer - In a BOT project, the companies who are awarded the contract build the roads and subsequently operate and maintain them for the stipulated period which normally ranges from 10 to 30 years. During this period, the construction companies collect toll from the vehicular traffic to cover their costs and profit from the mark-up. At the end of the



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allotted period, the road is returned to the Government. BOT projects are a step taken by the Government to encourage private investments in highway development. However, profits in toll-based projects are subject to vehicular traffic using the roads and therefore bring uncertainty in cash flows. BOT includes three phases of project:

**Build** - A private company (or consortium) agrees with a Government to invest in a public infrastructure project. The company then secures their own financing to construct the project.

**Operate** - The private developer then owns, maintains, and manages the facility for an agreed concession period and recoups its investment through charges or tolls.

**Transfer** - After the concessionary period, the company transfers ownership and operation of the facility to the Government or relevant state authority.

### Advantage of BOT Projects

1. The Government gets the benefit of the private sector to mobilize finances and to use the best management skills in the construction, operation and maintenance of the project.
2. The private participation also ensures efficiency and quality by using the best equipment.
3. The projects are conducted in a fully competitive bidding situation and are thus completed at the lowest cost.
4. Returns are attractive; typically the IRR that is targeted for such projects is around 20%.
5. Competition is lower as small players are constrained in their ability to infuse equity capital on a long-term basis (15-20 years).
6. Government support may be available in terms of fiscal benefits and project subsidy.
7. Contractor is eligible for a substantial bonus on early completion of the project. This ensures speedy completion of the projects.

### Various Models in BOT

**Subsidy-based:** This is a variant of the toll-based BOT model. The toll that the successful bidder can charge the users of the road is fixed before the bidding process starts (including the periodic escalation in toll). The bidding takes place on the basis of the subsidy that the bidders seek from the Government every year to cover their costs and mark-up over a period of time. The company that bids for the lowest subsidy is awarded the contract. In case the usage is good enough to cover costs and the mark-up, the subsidy is the icing on the cake. This is why companies are keen on this model. Recently, the tendering process for seven BOT road projects was based on this model.

**Annuity:** Under this model, the company that wins the bid will get a fixed return from the Government. For instance, the Bangalore-Maddur expressway order bagged by the Nagarjuna Construction recently is based on this model. The risk here is comparatively lower as the company will get a fixed amount of Rs 29.7 crore every six months.

**Toll-based:** In this type of BOT project, the sponsor recovers its cost and mark-up by collecting tolls from users. Thus, in this type of BOT project, the risk of traffic volume is completely borne by the sponsor.

### **Method used by the company for the calculation of traffic estimates**

Traffic survey projections and actual traffic census for previous years are available with the Employer and the same can be obtained from the Employer prior to bidding or this is a part of the bid document. However, use of this information as it is or otherwise is totally to the judgment of entrepreneur and employer has no responsibility for correctness or adequacy of the information.

The entrepreneur normally does a 7 day physical traffic count through an experienced inhouse team who have adequate experience to conduct this traffic count. The methodology also includes Area Survey, Origin & Destination Sample Study, Development Study of the service area, observations, correlation of gathered data and traffic projections. Seasonality of the traffic, scheme of daily/monthly/seasonal passes, if any, issued for regular traffic goers, any other toll concessions for local traffic are considered in revenue projections.

For future projections, various alternatives as under are taken into consideration to arrive at traffic growth:

Vehicles growth for past decade - All India

Vehicles growth for past decade - State (e.g. Maharashtra)

Vehicles growth for past decade - Region

Vehicle registration in the region



National Standard growth rate - GDP growth rate

Net State Domestic Product (NSDP) - Econometric Model

Vehicle growth based on past traffic census available

Future projects in the region which can compliment the traffic growth

Possible diversions due to alternative routes are also discounted appropriately

Keeping the above various factors/approaches in view, future increase in traffic is assessed in 3 categories such as optimistic, pessimistic and normal and then an assessed realistic projection is made for different horizons.

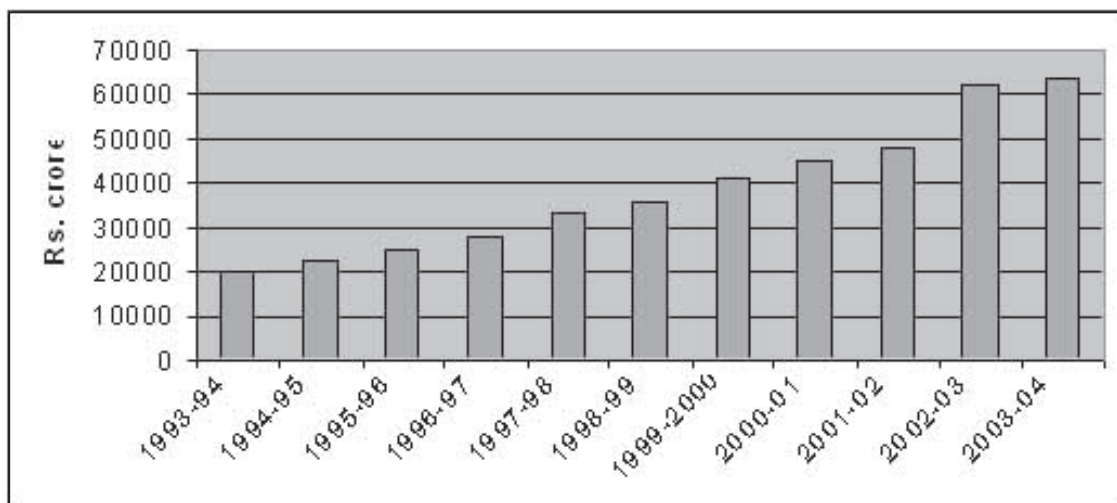
### Mining Industry

Minerals constitute the back-bone of economic growth of any nation and India has been eminently endowed with this gift of nature. There is evidence that exploitation of minerals like coal, iron-ore, copper, lead-zinc has been going on in the country from time immemorial. However, the first recorded history of mining in India dates back to 1774 when an English Company was granted permission by the East India Company for mining coal in Raniganj. After India became independent, the growth of mining under the impact of successive Five Year Plans has been very fast. There are ambitious plans in coal, metalliferous and oil sectors to increase production of minerals during the 8th Five Year Plan and thereafter.

India is the world's largest producer of mica; third largest producer of coal and lignite & barites and ranks among the top producers of iron ore, bauxite, manganese ore and aluminum.

(Source: Ministry of External Affairs)

### GDP of the Mining Industry



(Source: Ministry of Statistics and Program Implementation)

### Coal Mining

Coal is critical to power generation in India. It is the primary source of raw material for thermal-based power plants which account for more than 60 per cent of the power requirement. Considering the position of reserves of different hydrocarbons and the long-term dependence on coal for electricity generation, coal will continue to dominate India's energy sector for several decades. (Source : Project Monitor - December 12, 2005 issue).

Coal mining in India dates back to the 18th century, however the regulatory framework for this industry was conceived in 1923. In 1972-73, the Government nationalised the coal industry, primarily to develop the sector, since it was considered of strategic importance for rapid industrial development. Coal India Limited (CIL) was incorporated as a holding company for seven coal producing subsidiaries and a planning and design focused institute. It is engaged in mining from a total of 495 working coal mines which account for nearly 88 percent of total production.



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The country has 245,692 million tonnes of coal reserves and 169941 million tonnes of limestone reserves. The growth in domestic coal production has been very slow - from 30 million tonnes at the time of independence to 73 million tonne at the time of nationalisation in early 1970's to 355 million tonnes (provisional) in 2003 - 2004 (Source: Project Monitor dated December 12, 2005). Thus, there is large potential available for increase in the production of coal with increased participation of private sector.

During the recent years, the Government has declared a policy of privatising coal blocks. Accordingly, a number of blocks have been made open for the private investors (Source: The Indian Mining and Engineering Journal, Volume 44 No. 11-12, December 2005). Keeping in view the opportunities available and experience of our Company in the field of mining, we intend to bid for the coal blocks on privatisation of the same.

### **Production**

India has huge untapped potential for underground mining with extractable reserves up to a depth of 600 metres. Currently mining is done predominantly by open cast methods to exploit the 64 billion tonnes of proven reserves situated within a depth of 300 metres. Lower operating and production costs, greater percentage recovery and a higher output per man shift compared with underground mining are some of the advantages presently associated with open cast mining in India.

### **Future**

India's coal demand is expected to increase manifold within the next 5 to 10 years due to the completion of on-going coal;-based power projects, and demand from metallurgical and other industries. Demand for coal has been rising at an annual rate of 6 per cent since 1992-93 and CIL and its subsidiaries will be unable to meet the projected demand alone. The investment needed to bridge the gap of 400 million tonnes, between the level of production in the public sector (290 million tonnes in 1995-96) and the projected demand of 690 million tonnes (2009-10) is estimated to be US\$ 18 billion. The public sector corporations are expected to increase their production by about 250 million tonnes by 2009-10, subject to their making an additional investment of US\$ 8-10 billion.

During the recent years, the Government of India has declared a policy of privatizing coal blocks. Accordingly a number of blocks have been made open for the private investors.

*(Source : The Indian Mining & Engineering Journal - December, 2005 issue)*

The Indian coal industry is opening up at a rapid pace. Currently, a comprehensive review of the coal policy is underway. This year, 45 coal blocks have been allotted for captive consumption to the power, cement and steel sectors and to the state governments. After reserving blocks for Coal India and its arms up to '12, the Government has decided to de-block coal reserves of 20bn tonne for power projects. In August '05, the government identified 101 new projects to be taken up during the Tenth Plan in order to increase coal production to bridge the demand-supply gap. Of these projects, 22 are already producing coal and 45 are slated for production during '05-06 and '06-07.

On account of the increasing demand for coal, the Centre plans creating additional capacity of 71.3m tonne in 16 mines of Coal India. The investment for this is estimated at Rs. 800 crore.

*(Source: Economic Times March 02, 2006.)*

### **Real Estate**

During the recent years, India has made headlines as one of the emerging economic global powerhouses. The Country is now the fourth largest global economy and the second largest emerging market in the world. Speculations are that India will, in all probability, deliver the highest rate of growth over the next 4-5 decades. *(Source : CII booklet on Real Estate The India Opportunity).*

India's real estate has seen dramatic changes since the 90s. Purchasing a property to the common man used to be difficult. The tax structure and the cost of Indian real estate were exorbitant. People preferred to live in rented properties than purchase a house.

But the Indian real estate began to float from its drowning position after 1995. This was due to the increase in incomes that allowed people to go ahead and purchase a home. To trigger it further, cheap home loans were made available. Competition from peer banks led to offer lower interest rates while nationalized and co-operative banks offered the lowest interest rates.

India is poised for rapid urbanization, which will lead to major developments in real estate. But the continued demand of quality real estate is yet to be achieved due to shortage of space and funds. The Government, today, has also recognised the vast opportunity being offered by this sector to attract foreign investment and leverage growth. In a landmark legislation, the Indian Government has allowed 100% FDI into the construction sector, thus opening innumerable opportunities for international investors and developers to venture into the country. The legislation is anticipated to inject more than US\$ 1 billion annually into India's development and construction industry. *(Source: CII booklet on Real Estate The India Opportunity).*



There is an unprecedented growth in the real estate industry in parts of India. These are the National Capital Region, certain parts of Bombay-New Bombay-Pune and outsourcing Mecca - Bangalore. It is to a great extent, driven by the huge growth of the IT (Information technology) and BPO (Business Process Outsourcing) industry. As the IT industry grew, employees got onsite (literally - at the client site, as opposed to offshore) opportunities. Onsite typically meant being paid in US dollars and thus many employees earned a lot of money.

The buyers yearned a lifestyle equivalent to the lifestyles abroad, and they had the capacity to pay. This reduced the “matchbox” apartments on offering and has spawned a host of self sufficient complexes. Soft interest rates on home loans, a tax incentive on home loans and the general growth mode of the economy are other factors driving the growth of real estate.

New apartment complexes have recreation facilities, basement parking, security, power back up, good lawns and even swimming pools, all of which are very difficult to get when one goes in for an individual plot.

By 2007, India, for the first time, will see a group of prominent developers boast of a truly national footprint. Riding on the wave of increasing demand for office/retail space, these players are increasingly seeking opportunities to extend their goodwill and existing relationships with key tenants across India. Being an industry where local practices, laws and dynamics are the route to success, these developers are increasingly partnering with local governments for development of local infrastructure, be it in the form of IT parks, residential townships or SEZs.

The fact that most of these developers are on the learning experience when it comes to construction and delivery standards, their impact on the local markets is expected to raise the bar for local players and effectively benefit the end consumer.”

Whilst the current focus is on key metropolitan markets such as Kolkata, Chennai, Hyderabad and Pune (apart from established markets such as Mumbai, NCR and Bangalore), with time they are expected to tap growth opportunities in other emerging cities (state capitals/key commercial towns).

*(Source: www.indiaproperties.com)*

## **B. OUR BUSINESS**

### **Overview**

We are an existing profit earning and dividend paying company under the leadership of Mr. Rajhoo Bbarot, Managing Director. Our Company is in the business of construction, realty, infrastructure and mining and our current projects extend to 3 states in India. Our Company has maintained continuous progress in terms of expansion. We are competent in infrastructure projects such as highways on EPC/BOT basis, runways; mining and real estate.

We commenced business activities in the year 1977 as Atlanta Construction Company, a partnership firm, under the leadership of Mr. Ambalal Barot. The primary objective of the partnership firm was to take up road construction activity. Thereafter, it underwent constitutional changes and accordingly the partnership firm was converted into a Private Limited Company in January 1984.

In 1985, we introduced in-situ Bituminous Recycling Technology in executing projects in the States of Rajasthan, Maharashtra, Tamil Nadu and Delhi using a modern Road Milling Machine imported from Germany. In 1987 our Company was awarded a World Bank Loan aided project for ‘Strengthening 93 km road in Tamil Nadu’. In 1988, our Company was awarded the contract for ‘Strengthening of Runway at Bombay Airport’. Our Company has also undertaken airfield projects at Delhi and Chennai for the Airports Authority of India.

In 1995, we were awarded the project for ‘Construction of the Udaipur Bypass on Build, Operate and Transfer (BOT) Basis’. The project involved construction of a 11 kms long two-lane bypass road, with five major structures. Our Company completed the project in a period of 18 1/2 months against the schedule of 36 months as per concession agreement.

In 2000-2001, our Company was awarded the project for construction of Mumbra By Pass on BOT basis at the cost of Rs 359 million. The scope of the project was increased by adding grade separator along with Railway over Bridge (ROB) in the year 2004-2005 and the cost was increased by Rs 290 million. As on date of filing the Red Herring Prospectus with RoC the work is completed to the extent of 95% of the road work and 90% of ROB and the project is likely to be commissioned shortly.

We are also active in the Mining Sector. We have Modern Mining equipment like Surface Miners imported from Wirtgen, Germany and Loaders from Volvo, Sweden. In August 2003, we have successfully completed the work of “Extraction and Transfer of coal/Coal Measure Strata by deploying Surface Miners for Open Cast Project (OCP) on job work basis at Belpahar for Mahanadi Coalfields Limited, subsidiary of Coal India Limited. The contract value of the project was Rs. 40.91 million. We have also been awarded other OCPs amounting to Rs. 402.21 million for Mining for extraction of approximately 12.79 million cubic meters of coal from Mahanadi Coalfields Limited at Bharatpur and Kalinga, Orissa.

We are also in the business of real estate. We completed our first project in 1991 when we made a commercial complex in the name of Atlanta Tower in Mumbai admeasuring 18,000 sq.ft. approximately for a value of Rs 22.5 million. Since then we



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have completed 2 more projects for construction of commercial complexes.

**Our main focus areas are:**

- **Engineering, Procurement and Construction (EPC)**
- **Highways and Bridges on BOT basis**
- **Mining**
- **Real Estate**

(Rs. in Million)

Activity	2001-02		2002-03		2003-04		2004-05		2005-06	
	Turnover	% to total	Turnover	% to total	Turnover	% to total	Turnover	% to total	Turnover	% to total
EPC	261.14	99.89	407.91	95.43	583.67	97.85	730.59	90.53	953.31	88.95
BOT*	Nil	-	Nil	—	Nil	—	Nil	—	Nil	-
Mining Operations	Nil	-	18.41	4.31	12.80	2.15	76.41	9.47	118.39	11.05
Real Estate	0.29	0.11	1.11	0.26	Nil	—	Nil	—	Nil	-
<b>Total</b>	<b>261.43</b>	<b>100</b>	<b>427.43</b>	<b>100.00%</b>	<b>596.47</b>	<b>100.00</b>	<b>807</b>	<b>100.00</b>	<b>1071.70</b>	<b>100</b>

\* There is no income from BOT projects for the last five years as the Mumbra By Pass Project was under construction. The same is nearing completion and is expected to be commissioned shortly.

The information regarding the growth potential of the activities of our Company have been provided under section titled “Industry” beginning on page 43 of the Red Herring Prospectus.

We face competition in all the areas of our business. Details of the same have been provided in “Competitive Conditions” in section titled “Managements Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 119 of the Red Herring Prospectus.

**Exports**

The activities of our business do not involve any manufacturing of products which may be exported and all our revenues are from the domestic market. Hence, we do not have any export obligations.

**Areas of Business of Atlanta Limited**

**Construction Activity**

**Location of the project**

We execute construction contracts for Government, Semi Government agencies all over India. Considering the nature of our Company’s business the location of project depends upon the contracted site, which usually varies from project to project. Currently, we have projects at Lucknow, Uttar Pradesh; Khurda-Bhubaneshwar, Orissa; Mumbai, Maharashtra;

**Plant and Machinery**

The details of the existing plant and machinery at various sites are as under:-

Equipments	Qty
Batching Plant (Schwing Setter)	1
Crushing Plant	8
Apollo Paver	4
Ingersoll Paver	2
Voegele Paver	1
HM - 2021 Loader	8



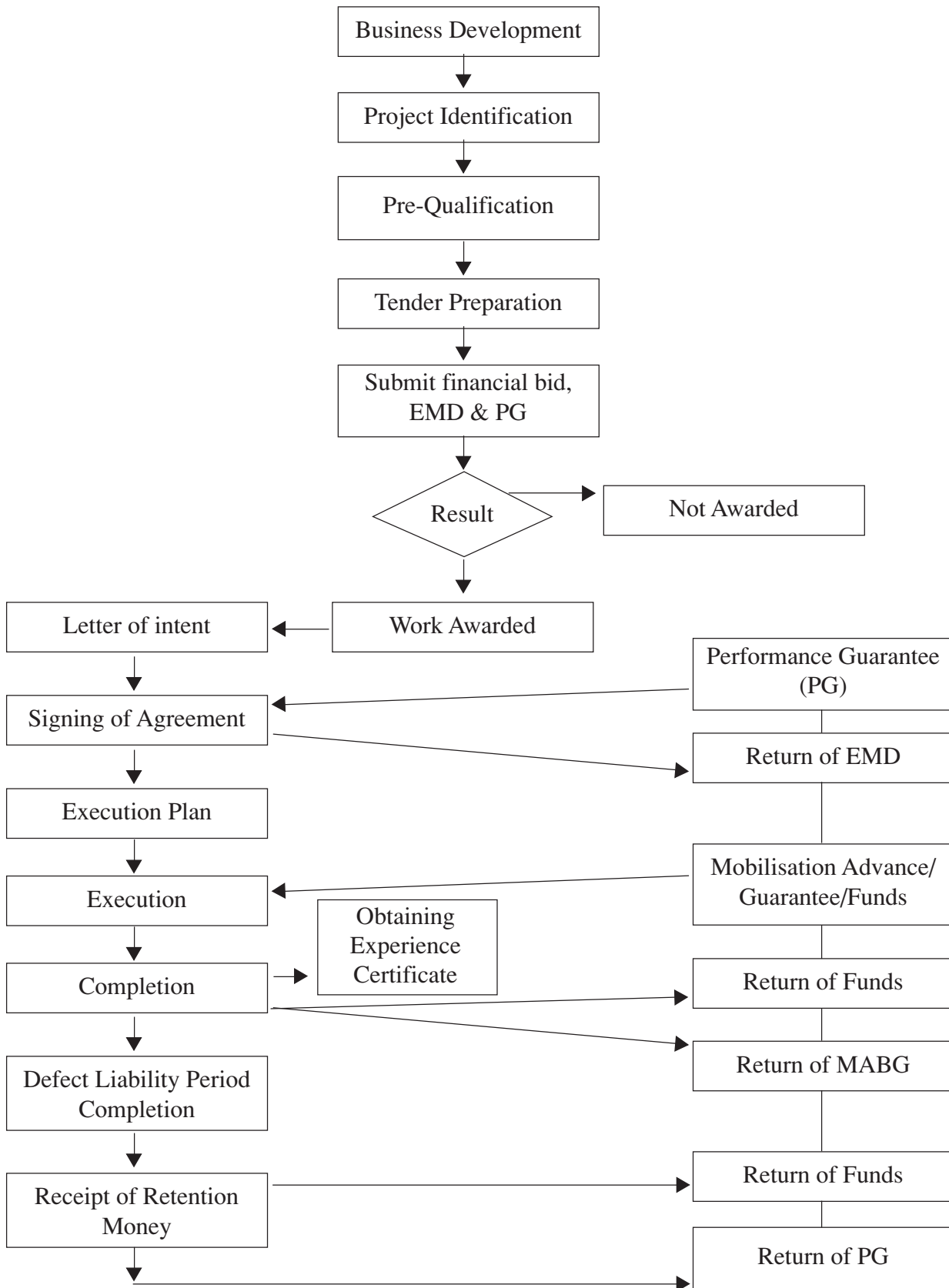
Equipments	Qty
JCB 3D Excavator Loader	11
JS-200L Excavator Loader	3
Caterpillar Excavator	2
Volvo Motor Grader-720	6
Tata Dumpers LPK 2516	69
Ashok Leyland Dumpers	20
Generator	20
Motorola Wireless System	5
Rockbreaker	2
Transit Mixers	11
Apollo Drum Mix Plant	2
Hot Batch Mix Plant (Linhoff)	1
Hot Batch Mix Plant (Speco)	1
Concrete Batch Mix Plant (Becon)	1
Bitumen Sprayer with tanker	3
Gallion Chief Static Roller	2
Ingersoll Vibratory Compactor	13
L & T Vibratory Compactor	3
Weigh Bridge	5
Penta Mixer - Allenbuildwell	1
Remixer Machine - Wirtgen	1
Levelling Instruments	18
Apollo Wet Mix Plant	2
Laboratory Equipment	5
Leica Total Station	3
Welding Machine	5
Piling Rig	1
Kerbing Machine	2
Cranes	5
Pakona Concrete Products Machine	1

For details of the plant and machinery proposed to be purchased from the proceeds of this Issue, please refer to section titled “Objects of the Issue” beginning on page 23 of the Red Herring Prospectus.

### Technology

We have not entered into any technical collaboration. The Employer normally specifies the technology and methods for the projects in the tender document, which are conventional in nature, therefore, it does not entail the need for any technical collaborations. For our Company to pre qualify to bid for new contracts, we should have in the past implemented contracts using similar technology. However, one can not rule out the possibility of going for collaboration to gain access to new and advanced technologies in the future.

Based on the project requirements we are required to tie up from time to time with JV partners who possess experience in implementing projects with alternate technologies specified in the tender document.







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

#### PHASE I

##### Awarding the contract

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

#### PHASE II

##### Execution of the project

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

##### Project Closure

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

#### **Business Model**

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

##### **Pre-qualification parameters**

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

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



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### Bidding Strategy and awarding of contract

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

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

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

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

### BOT Projects

Our Company has been involved in BOT projects since 1996. Our first BOT project was the “Construction of Udaipur Bypass Road Phase-II on BOT Basis”. We successfully completed this project. Details of the project are given below

Length of road	10.92 km
Cost of the work	Rs 244.5 million
Concession Period (including construction period)	140 months
Construction Period of Project	36 months
Completion of Construction of Road	18 1/2 months

We were able to complete the construction of the road in 18 1/2 months and this helped us in starting our toll collections early. It was also seen that the actual revenue was much more than the projected revenue, the details of which are given below:-

(Rs. in million)

Year	Projected Revenue	Actual Revenue
1998-99	52.7	64.2
1999-00	56.6	81.1
2000-01	60.9	81.6
2001-02	65.4	83.3
2002-03	70.3	84.6
2003-04	75.6	77.6

On June 15, 1999, the Udaipur Bypass Road Phase II Project was taken over by Ideal Toll Road Investments & Operations Private Limited, our Group Company and the toll collection for this project appears in its books. For more details about Ideal Toll Road Investments & Operations Private Limited, please refer to section titled “Financial Information of Group Companies” beginning on page 113 of the Red Herring Prospectus.



In August 2000, we entered into an agreement with PWD, Government of Maharashtra for “Construction of Mumbra By Pass on Mumbai Pune Road, NH4” from km 133/800 to km 138/200 on BOT Basis.

Length of road	5.41 kms
Cost of the work*	Rs. 1330.1 million
Concession Period (including construction period)	16 years 4 months and 25 days
Construction Period of Project*	57 months

\* There was a delay caused for obtaining approval of the Railway Authorities for design and getting blocks for launching of girders. Due to this delay, which was beyond the control of our Company, we were unable to complete the construction within the construction period. As per negotiations with the PWD, Government of Maharashtra, the concession period is to be revised. We have received formal intimation from the office of the Chief Engineer, Mumbai vide letter dated June 19, 2006 that the date of completion has been extended till December 31, 2006.

**The Major Projects executed by us in construction:**

Sr. No.	Name/Nature of Work	Name of Project Owner	Contract Value (Rs. in Million)	Date of Completion
1.	Periodic renewal of Vapi-Ambethi (link to pient) and Vapi Daman Road (Km.1.8 to Km.26.0 Km.0.0 to Km.3.3 and Km.5.2 to Km.7.2).	National Highway Circle, Vadodara	128.380	April 15, 2004
2.	Improvement of Arterial and Sub Arterial Roads in Bangalore City.	Bangalore Mahanagar Palika, Bangalore	652.22	December 31, 2001
3.	Asphalting of Roads by Paver Finisher in Jalgaon Municipal Council, Jalgaon.	Jalgaon Municipal Council, Jalgaon	359.13	December 31, 2001
5.	Improvement to Jalalkheda Mowad Road SH-245 and Mowad Narkhed Road SH-246.	PWD, Nagpur	84.16	May 31, 2000
6.	Construction of Udaipur Bypass Road Phase-II on B.O.T. Basis	PWD Jaipur	244.50	March 28, 1998
7.	Improvement to Bhiwandi -Wada Road SH35 Km.18/0 to 40/710 & Palghar Wada Road SH-34 Km. 6/500 to 53/800 in Thane District.	Thane, Maharashtra	30.34	October 7, 1997
8.	Widening and Strengthening of National Highway No. 45 from Km. 67/0 to Km. 160/2 Package V & VI	National Highway, Tamilnadu.	395.56	October 17, 1995
	<b>Total</b>		<b>1894.29</b>	

**Note: There have been no penalties levied for any of the above projects due to delay in completion on our part.**

**The EPC Contracts that have been undertaken by us and are currently under execution:**

Since the BOT concept is gaining popularity in many Government Departments, we are focusing on securing appropriate projects which provides good monetary returns, as well as an opportunity to design and execute projects through adequate technical controls, expertise and strong human and machinery resources. As on June 30, 2006, we have work in hand for more than Rs. 2900 million of EPC contracts; some of them are given here in below:



Sr. No.	Name/Nature of Work	Name of Project Owner	Contract Value	Value of Work Completed	Value of Work in hand	Expected Date of Completion
1.	Widening and construction of the Western Express Highway from the Times of India Flyover, North end to Asha Nagar Subway (Km. 510 to 508.30 in Mumbai	Mumbai Metropolitan Region Development, Authority	261.50	175.19	86.31	December 31, 2006
2.	Construction of segment of Lucknow bypass connecting NH-25 and NH-28 via NH-56 passing through Lucknow city in the State of Uttar Pradesh under the Phase - II programme of North South & East West Corridors Project  (in JV with PBA Infrastructure Limited on 50:50 basis)	National Highways Authority of India, Authority	1928.00	1703.58	224.42	March 31, 2007
3.	Improvement, O and M including strengthening and widening of the existing 2-lane road to a 4-lane dual carriageway from Km 9200 - Km 50,000 of NH - 6 (Nagpur-Kondhali section) in the state of Maharashtra on Build, Operate and Transfer (BOT) basis	Balaji Tollways Limited	1760.00	9.00	1751.00	December 9, 2008
4.	Widening to 4/6 lanes and strengthening of the existing 2-lane carriageway of NH-5 in the State of Orissa from Km.387.700 to 414.00. (Golden Quadrilateral)  (in JV with Gammon India Limited on 50:50 basis)	National Highways Authority of India,	1189.00	890.49	298.51	December 31, 2006
5.	Widening and construction of S.V. Road from GMLR Junction to Santacruz K.M. 10.00 to 21.01 K.M in Mumbai	Mumbai Metropolitan Region Development Authority	330.00	32.30	297.70	October 31, 2006
6.	Widening and construction of Western Express Highway from the Kulupwadi pedestrian subway to S.N. Dubey Road Junction (Km. 506.50 to 504.00) in Mumbai	Mumbai Metropolitan Region Development Authority	296.40	218.40	78.00	December 31, 2006
7.	Widening and construction of the Western Express Highway Ashanagar Subway to Kulupwadi Pedestrain Subway (Km.508.3 to 506.3) in Mumbai	Mumbai Metropolitan Region Development Authority	275.60	83.16	192.44	December 31, 2006
	<b>TOTAL</b>		<b>6,040.5</b>	<b>3,112.12</b>	<b>2928.38</b>	



There has been a delay in the completion of the above mentioned projects. This delay has been caused due to non-acquisition of land and delay caused due to shifting of utilities.

### **Mining Activity**

#### **Location of the project**

We execute contracts for the Government, Semi Government and private agencies all over India. Considering the nature of our business, the location of the project depends upon the contracted site, which usually varies from project to project. Currently, we have two projects for coal mining at Kalinga and Bharatpur, Orissa.

#### **Existing Plant and Machinery**

Surface Miner-2100	1
Surface Miner -2200	1
Surface Miner- 3800	1
Volvo Wheel Loader	3
Liugong Wheel Loader	4

The details of the plant and machinery proposed to be purchased have been mentioned under the section “Objects of the Issue” beginning on page 23 of the Red Herring Prospectus.

#### **Technology**

The Surface Miner is a modern machine used for mining. The essential feature of this advanced sophisticated machinery is, mining is done without drilling, blasting and crushing, when extracting valuable minerals. The Surface Miner produces stable slopes, which may be as steep as 70 degrees.

The Surface miner is equipped with windrow to deposit mine material on the ground/surface. An optional mobile screening unit can be attached with the machine for extracting sized stones and separating fines in-situ. Vibrations, noise and dust pollution are reduced considerably.

The degree to which deposits can be exploited depends either on the inhabitation in the vicinity prohibiting the operation of blasting or the fact that valuable minerals of the same quality are only found within seams interspersed with layers of waste. With a Surface Miner, these seams can be mined selectively. The degree of exploitation of the deposit improves and this method also considerably reduces the subsequent processing efforts.

Surface Miner is ideally suited for:

- Mining of limestone, coal, gypsum and other minerals by avoiding multiple operations of drilling, blasting and crushing.
- Preparing formation by cutting to precise grade and camber for mega Highway/Airfield projects.
- Milling trenches without blasting
- Deeproad milling in concrete / Bituminous pavements coupled with high output.

#### **Stages in Mining Operation**

The subsidiaries of Coal India Limited invite bids from competent agencies possessing equipment and past experience. The first stage is identifying the mining area by compiling and studying the borehole data, surface contour and water contour. The detailed break up/ cost analysis of the work involved is done and then competitive bids are submitted. After the work is awarded, the mining area is identified and a detailed mine plan prepared and the following activities are carried out:

- The requisite permissions from the Government authorities are obtained for undertaking mining operations in the identified areas by the project owner.
- A mining plan is formulated whereby the stripping ratio is determined and bench sizes are designed. This depends on the depth of the mining operations, properties of soil, rocks, etc and volumes of overburden to be excavated.
- Approval of the concerned authority in accordance with applicable laws and legislation is obtained.
- Excavation is carried out within permissible limits (as specified in the mining permissions) for levels of gradients and benches. The dump yard area is developed according to prescribed limits.
- After completion of excavation the disposal of spoils is directed to reclaim all such areas so as to achieve the original contours and ground levels. The original ground levels are surveyed to obtain the volume of work done.
- Plantation of dump areas and reclamation of the mined area is done according to conditions specified by the relevant mining agencies.



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**List of Surface Mining Projects, which have been executed by us**

Sr. No	Name/Nature of Work	Name of Project Owner	Contract Value (Rs. in Million)	Financial year of completion
1.	Extraction and transfer of Coal/ Coal Measure Strata by deploying "Surface Miners" on hiring basis at Belpahar OCP.	Mahanadi Coal Fields Limited, Jagruti Vihar, P.O. UCE Burla, Sambalpur	40.91	2002-03
2.	Deployment of Surface Miner, SM 2100 at MOTIKHAVDI, W.O. No. RU/W/41 dated 8.04.1998, W.O. No. RX/W/176 dated 13.08.1997 W.O. No. RX/W/176 dated 03.06.1998	Reliance Petroleum Limited, Village Motikhvadi, P.O. Digvijaygram, Jamnagar.	20.81	1997-1998
3.	Hiring of Surface Miner Model, SM-2100 for Limestone at Galgal Works. W.O. No. OPN/Q/GL/18/346 Dated 6.6.1996	The Associated Cement Companies Limited, 121, Maharshi Karve Road, Mumbai-400 020	29.41	1996-1997
4.	Surface Miner SM-2100 for Limestone Mining at NCCL Jafrabad. W. O. dated 11.12.1995	Narmada Cement Company Limited 2-C, Phenix Mills Compound, 462, Senapati Bapat Lower Parel, Mumbai - 400 013	28.00	1995-96
5.	Deployment of Surface Miner at Lime Stone Quarries in Gujarat State Work Order No. PG/2423/94 dt. 20.09.1994	Tata Chemicals Limited Bombay House Homi Mody Street Fort, Mumbai.	8.70	1994-95

**Note:** No penalties have been levied in any of the above mentioned projects as there was no extension in time sought for the same.

**Major Projects that have been undertaken by us and are currently under execution:**

As on June 30, 2006, we have an order book position of Rs. 402.21 million of Surface Mining; as per details given below:

Sr. No.	Name/Nature of Work	Name of Project Owner	Contract Value Rs. in Million	Work Completed Rs. in Million	Work in Hand Rs. in Million	Estimated Date of Completion
1.	Extraction & transfer of Coal/ Coal Measure Strata by deploying "Surface Miners" on hiring basis at Bharapur OCP of Kalinga Area. (NIT 317)	Mahanadi Coal Fields Limited, Sambalpur	298.76	219.68	79.08	October 31, 2007
2.	Extraction & transfer of Coal/ Coal Measure Strata by deploying "Surface Miners" on hiring basis at Kalinga OCP of Kalinga Area.(NIT 334)	Mahanadi Coal Fields Limited, Sambalpur	103.45	2.60	100.85	July 11, 2008
	<b>TOTAL</b>		<b>402.21</b>	<b>222.28</b>	<b>179.93</b>	



## ***Real Estate Activity***

### **Location of the project**

Our Company has acquired 31,000 sq. mts. land at Shil Phata, on NH-4 in Thane district, which we intend to develop. For details of the proposed project please refer section titled “Objects of the Issue” on page 23 of the Red Herring Prospectus.

### **Plant and Machinery**

The plant and machinery that are required for the real estate projects are more or less the same that are required for the road projects.

### **Technology**

There are no key processes, technology and collaboration agreements with any parties for technology. Our Company’s clients normally specify proven conventional technologies and methods for their projects, therefore, it does not entail the need for any collaboration agreements for technology to be used.

### **Process**

At the outset, the land is identified which is available with permissible construction activity as per development plan finalized by the controlling authority. The negotiations are carried out with the owner and the payment terms are mutually agreed and finalized. The solicitors simultaneously carry out the search for title and thereafter the property is conveyed. The registration of the documents is then carried out by paying requisite stamp duty.

Various stages in project management are detailed below.

#### Phase 1

- Appointment of architects and RCC consultant
- Obtaining approvals/permission to the plans from the local authority
- Appointment of labour contractors
- Erection of plant and machinery
- Finalising material procurement schedule

#### Phase 2

##### Execution of the project

- Implement all project activities
- Obtaining occupation certificate from the local authority
- Obtaining water connection/sewage/electrical connection
- Taking completion certificate
- Handing over possession to the buyers

### **Marketing of the project**

The marketing department analyzes the rate prevailing in the area and thereafter, considering the premium that can be fetched for brand equity and amenities decides the floor rate/ benchmark rate to commence booking of the premises initially. Considering the holding power as well as the market fluctuation the rates are periodically reviewed. The rates are finally governed by demand supply situation in the area.



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**Projects executed by Atlanta Limited**

<b>Sr. No.</b>	<b>Name of the Project And Location</b>	<b>Developed by</b>	<b>Nature of Project</b>	<b>Total Built Up Area and No. of Storey</b>	<b>Cost (Rs. in Million)</b>	<b>Year Of Completion</b>
1.	<b>Atlanta Arcade</b> Opp. Hotel Leela Kempenski Andheri Kurla Road Andheri (East) Mumbai - 400 059.	Atlanta Infrastructure Limited	Commercial Complex	25748.91 sq.ft.  Ground +6 Floors	40	1999
2.	<b>Ambashanti Chambers</b> Opp. Hotel Leela Kempenski Andheri Kurla Road Andheri (East) Mumbai - 400 059.	Atlanta Infrastructure Limited	Commercial Complex	29166.62 sq.ft.  Ground +5 Floors	40	1999
3.	<b>Atlanta Tower</b> Near Chakala Cigarette Factory Cargo Complex Sahar Road, Andheri (East) Mumbai - 400 099	Atlanta Construction Company (I) Limited	Commercial Complex	18000 sq.ft. Ground +5 Floors	22.5	1991

**Collaborations:**

As of the date of filing of the Red Herring Prospectus, our Company does not have any technical collaborations or agreements.

**Infrastructure Facilities**

*Raw Materials*

The requirement of raw materials like cement, steel, diesel, furnace oil, aggregate and bitumen is project specific and are determined by the total orders received for projects. This requirement is processed through negotiations with the suppliers keeping in view the logistics of location of project and timing of supply. The procurement of raw materials is centralized at the purchase department which is based on the delivery schedule of each project. A proper inventory system is maintained to ensure the availability of material when required. The materials purchased are tested before usage of the same. Our Company has a set of suppliers for cement, steel, diesel and bitumen with whom we enter into long term contracts, thus ensuring continuous supply and at a suitable price. The tender documents for all contracts awarded to our Company include contingencies for price escalation of raw materials. In the event of price escalation we would be indemnified as against the difference in cost after escalation as per the conditions of the tender document. In case of small requirements we procure raw material from local suppliers. Land near the construction site is taken on lease from Government or private parties for boulders, which are using the crushing plants installed at the site.

In the mining activity there are really no raw materials, which are specifically required.

*Water*

Water is largely project specific and is procured locally by way of boring wells at the site.

*Electricity*

The construction projects are not power intensive. Power is required at site for running various machinery and equipment and also for lighting. Generally power requirements are met at site through normal distribution channel like State Electricity Board. This is also generated by DG sets. We own DG Sets of different capacity ranging up to 725 KVA used as per the requirements.





### *Other Capital Equipment*

There are some vehicles and equipment which are used for both construction and mining operations. The details of which are given below.

1. Water Tankers
2. Diesel & Support Vehicles Tanker
3. Tippers
4. Loaders
5. Light Vehicles

### *Environmental Clearance*

Infrastructure projects are subject to a lot of environmental clearances. Any delay in the clearance can stall the project for a long time thereby causing losses. In projects executed by us environmental clearance is the obligation of the project authority.

## **Our Products**

### **Types of Contracts**

The construction industry operates on the basis of contractual agreements. Different types of contracts have evolved over the years keeping in line with the changing nature and needs of the economy. Those contracts related to our business are Item Rate Contracts, Percentage rate, BOT/BOOT, Lump Sum Turn Key (“LSTK”) Engineering, Procurement and Construction (“EPC”), Front End Engineering and Designing (“FEED”), Annuity and Operations and Maintenance (“O&M”) and toll collection contracts. The nomenclatures have been explained below:

#### *1. Item Rate Contract:*

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

#### *2. Percentage Rate:*

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

#### *3. BOT / BOOT:*

Basic concept behind the above is that the developer is required to invest his own funds and construct the facility. He is then expected to charge the user for using the facility. The developer has to recover his cost and desired profit through these user charges. Thus, before undertaking the project, the developer is expected to assess potential users (traffic, consumers,). Bidding parameter for such contracts in roads is basically the tolling period or positive/negative grant and for ports it is the royalty payable to government authorities.

These projects enable direct private sector investment in large scale projects such as roads, bridges and power. The premise a BOT is based on is:

- Build - The concessionaire agrees with a government to invest in a public infrastructure project (such as a road or power station). The company then secures their own financing to construct the project.
- Operate - The concessioner owns, maintains and manages the facility for an agreed concession period (eg.20 years) and recovers the investment through charges or tolls (e.g. Road tolls or electricity sales).
- Transfer - After the concession period the concessioner transfers ownership and operation of the facility to the Government or the relevant authority.



## ATLANTA LIMITED

### *Advantage of BOT Projects*

1. The Government gets the benefit of the private sector to mobilize finances and to use the best management skills in the construction, operation and maintenance of the project.
2. Competition is lower as small players are constrained in their ability to infuse equity capital on a long-term basis (15-20 years).
3. Returns are attractive; typically the IRR that is targeted for such projects is around 10-20%.
4. Concessionaire is eligible for a substantial bonus on early completion of the project. This ensures speedy completion of the projects.
5. The private participation also ensures efficiency and quality by using the best equipment.
6. The projects are conducted in a fully competitive bidding situation and are thus completed at the lowest cost.
7. Government support may be available in terms of fiscal benefits and grants.
8. A ten year tax holiday for roads, bridges and highways can be availed of during initial 20 years of operations
9. Duty-free import of high capacity and modern construction equipment.

### *Various Models in BOT*

**Toll-based:** In this type of BOT project, the sponsor recovers its cost and mark-up by collecting tolls from users. Thus, in this type of BOT project, the risk of utility being used is completely borne by the sponsor.

**Grant-based:** This is a variant of the toll-based BOT model. The toll that the successful bidder can charge the users of the road is fixed before the bidding process starts (including the periodic escalation in toll). The bidding takes place on the basis of the grant that the bidders seek from the Government every year to cover their costs and mark-up over a period of time. The company that bids for the lowest grant is awarded the contract. The concession period (Construction period + toll collection period) is fixed.

Both the above public-private partnership models are quite widely used in the industry.

#### 4. *Annuity:*

In annuity type of contracts the facility is being constructed and maintained by the contractor out of his finances, however, the developer (concessionaire) does not charge the user. The tendering authority (government authority) pays the concessionaire the agreed charges (in half yearly instalments) through out the concession period. Operation & Maintenance is the responsibility of the contractor. Annuity is the bidding parameter in these contracts.

#### 5. *O and M:*

Typically an O and M contract is issued for operating and maintaining facilities. This could be in any of the sectors such as water, highways, buildings and power. The contract specifies routine and periodic maintenance at a pre-determined time. While the contractor is paid for the maintenance based on the quoted rates which is largely a function of manpower, consumables and maintenance equipments to be deployed at the site

#### 6. *Front End Engineering and Designing (FEED)*

Normally this work is carried out either as a part of consultancy wherein the consultant company provides FEED data to the project owner to enable them to take a decision on floating the tender for construction. In addition to this FEED it is also a prerequisite for a contractor to enable him to bid for EPC projects. A FEED project by itself can generate revenue as consultancy work or is a part of the costs of bidding of an EPC contract.

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

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

#### 8. *Sub contracts*

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



project work to a smaller contractor. In back to back contracts the entire project is executed by the sub contractor and paid to by the main contractor.

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

### **Mining**

We are in the business of extraction and transfer of limestone and coal by deploying “Surface Miners” on hire basis. We do job work for Government/ Semi Government Agencies. We have also rented out our machines to private players such as ACC.

### **Real Estate**

We construct commercial / residential/ industrial buildings on our own or jointly with other promoters or other land owners. We have not been very active in this field because we did not see profit margin in the same. However with the recent growth in the sector we plan to tap the potential of the real estate market by making residential complexes.

### **BUSINESS STRATEGY**

We recognize the importance of the construction industry in India, especially the high impetus given by the Government to make up deficits in infrastructure rapidly. At the same time, our Company recognizes that the ‘construction’ industry is very broad in its scope (covering construction of various sub-types of infrastructure - including, roads, buildings, airports, waterways and mining) and there is a need for specialization in order to develop real depth of expertise in any of these sub areas. The real estate business will also be our focus of attention.

### **Construction**

We have developed expertise in the business of road construction after over 30 years of dedicated work and this is now our forte. We will continue to bid aggressively for road related infrastructural projects - leveraging and building the specialization and pre-qualification and thereby participating in more states and regions and gaining access to more complex projects. Our main field of operation in the road construction business would be BOT projects. We analyse that the future will be of BOT projects. We will be getting into need based joint ventures with different companies in order to achieve the objective of capturing a large share of the BOT projects.

### **Mining Operations**

This is the other area where we feel that there is great potential for growth especially in view of Government policies now favoring the private players for coal mining. Due to its prior experience in mining we feel that we are in a position to execute mining work. We are purchasing more Surface Miners in order to tap the potential in the industry. We are currently working with Mahanadi Coal Fields Limited, (a subsidiary of Coal India Limited) for ‘Extraction & Transfer of Coal/Coal Measure Strata by deploying Surface Miners on hire basis.’ Our Company plans to pursue such projects which will give us good returns and the proposed privatization of mining is seen as a positive development to give impetus to our growth plans in this area of business.

### **Real Estate**

Real Estate is a field that we would like to concentrate on. We plan to start the construction of the first phase of the residential complex at Thane. Once the first phase is nearing completion we will start our marketing activities related to these flats. The money generated from the first phase by way of advance money and later by handing over the flats to the customers will be a part source of generation of income for the second phase and the cycle will go on in the same fashion. We also believe that there is a growth in the real estate market right now and this will continue. Hence, getting the right price for our flats as per our estimates should not be a problem. We have also entered into a joint venture with the members of the Thakural Group and formed a partnership firm in the name of M/s. Atlanta Thakural Construction for construction of a commercial complex.

### **Future Prospects**

Our Company looks at the future of the construction industry with optimism. There is lot of potential in road projects. We derive our optimism from various factors including Government emphasis on creating world-class infrastructure, favorable investment climate leading to industrial growth and growth in the housing sector.



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The dynamics of infrastructure industry have undergone changes in the last few years. Though the importance of infrastructure sector and the crucial role it plays in the growth of the economy was never in doubt, it has nonetheless remained undermined. However, its acknowledged importance and the impetus provided by the Central and State Governments have ensured that this industry gets due attention. Various sectors of this industry are witnessing a lot of activity and new projects are coming up all across the country. We have identified few of these sectors as our core area of growth and focus.

### 1. Road Construction (EPC Contracts & BOT Projects):

NHAI has been entrusted with developments and management of 10,000 km of national highways under NHDP by the Ministry of Shipping, Road Transport and Highway. NHAI is encouraging road projects on a public-private participation and BOT Basis. The Government of India has accorded development of infrastructure a “thrust area” status and more particularly for development of roads and bridges and there is encouragement for BOT projects. This sector offers tremendous opportunities and the outlook remains extremely encouraging for the next couple of years. The proposal to setup Expressway Authority and Central Road Fund will also boost the developments of roads. It is expected that almost Rs. 172,000 crores will be spent on the road projects in the country over the next few years. The National Highway Authority of India is implementing the ambitious Rs. 54,000 crores National Highway Development Project (NHDP) to undertake the four laning of over 14,000 km, which comprises the East-West and North-South corridors, the Golden Quadrilateral connecting Delhi, Calcutta, Chennai and Mumbai and port connectivity. Various State Governments are also planning to develop roads with equal focus on urban and rural development. [Source: “The Road to Progress and Prosperity”; The National Highways Authority of India, [www.nhai.org](http://www.nhai.org)]

NHAI is expected to release the balance work orders of Golden Quadrilateral and NSEW corridor work orders for NHDP - Phase III are also expected to be released in the current year. Magnitude of these orders will be huge. Making road projects as one of the fastest growing sectors of the industry.

The Pradhan Mantri Gram Sadak Yojana (PMGSY) requires new construction of 3.69 lakh km. roads and up gradation of 3.68 lakh km of rural roads. The total cost of this projects is estimated to be Rs. 133,000 crore. PMGSY also includes projection for Operation & Maintenance (O&M) of link and trough routes. The duration of these maintenance contracts projects is 5 and 10 years respectively.

We are already pre-qualified as bidders by the NHAI and various state, Government and semi-government organizations. With the onset of privatization in the road construction sector, our Company has already built up its strength in undertaking projects on a ‘Build Operate and Transfer’ basis. Currently it is working on two BOT projects and have a few more in the pipeline.

### 2. Coal Mining Works:

With the spurt in demand for steel and power generation, we see an increase in demand for coal in the future. We have diversified into coal mining to capitalise on this opportunity.

India’s coal demand is expected to increase manifold within the next 5 to 10 years due to the completion of on-going coal based power projects, and demand from metallurgical and other industries. Demand for coal has been rising at an annual rate of 6 per cent since 1992-93 and Coal India Limited (CIL) and its subsidiaries will be unable to meet the projected demand alone. The investment needed to bridge the gap of 400 million tonnes, between the level of production in the public sector (290 million tonnes in 1995-96) and the projected demand of 690 million tonnes (2009-10) is estimated to be US\$ 18 billion. The public sector corporations are expected to increase their production by about 250 million tonnes by 2009-10, subject to their making an additional investment of US\$ 8-10 billion. The balance requirement of 150 million tonnes will have to be met by imports in the short run and by new investments in the long run.

With the advent of the economic reforms, government controls regarding pricing and distribution have been relaxed and a new coal policy permitting private sector participation in commercial coal mining, will be announced.

### 3. Real Estate

We see a great future in the real estate market. Our prime objective in real estate will be the completion of the residential complex in Thane. Along with it or after the completion of the residential complex we may start the work of construction of commercial building on our plot at Goregaon in the Western suburbs of Mumbai, which is a joint venture project with members of the Thakural Group. We are also negotiating with land owners in other Western Suburbs of Mumbai for acquiring more land for construction. In the future we see ourself making mini-townships in the outskirts of Mumbai area.

**Capacity and Capacity Utilisation:***Construction*

The nature of our business is project specific and not of a manufacturing concern with specified installed capacity, therefore, the installed and utilization capacity cannot be determined. Our bid capacity as on June 30, 2006 is Rs. 11833 million for NHAI projects for three years.

*Mining*

	Units	2003-04	2004-05	2005-06	2006-07 (E)	2007-08(E)
Capacity at Site	Million m <sup>3</sup>	2.50	2.75	5.31	6.79	8.21
Utilised capacity	Million m <sup>3</sup>	0.253	2.13	3.85	4.51	5.51
% of Capacity Utilised		10.12%	77.45%	72.5%	66.4%	62.7%

**Insurance**

Our Company has obtained the following Insurance policies:

- Public Liability Insurance (Industrial & Storage Risks) for our site at Mumbra for the Mumbra By Pass Project from Iffco-Tokio General Insurance Company Limited for Rs. 150,000,000/-. The policy expires on November 13, 2006.
- Contractor's All Risk Policy for our site at Malad for the Malad to Dahisar (Western Express Highway) Project from Iffco-Tokio General Insurance Company Limited for a total sum of Rs.1088300000/-.
- Group insurance policy for 35 employees with the Iffco-Tokio Insurance Company Limited for a sum assured of Rs. 115,000,000/-. The policy expires on November 16, 2006.
- Standard Fire and Special Perils insurance policy for our office premises and building stocks for a total sum assured on Rs. 23,500,000/- with The New India Assurance Company Limited. The Policy expires on June 29, 2007.



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In addition to the above, we also have various Light and Special Motor Vehicles insurance policies for the vehicles owned by our Company.

### Our Property

Sr. No.	Description of Property/ Area	Nature of Interest	Purpose	Term
1.	First Floor of Amba Shanti Chambers, Opposite Leela Hotel, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059.	Lease agreement dated April 1, 2005 between Bhavna R. Bbarot and Atlanta Limited.	Registered Office	60 months from April 2005.
2.	1/7th of the land measuring 6229 square metres in where the building 'Amba Shanti Chambers' is situated and 3rd floor in the building.	The land has been conveyed by a Deed of Conveyance dated October 5, 1990 executed by the President of India through the Central Board of Direct Taxes and Atlanta Construction Company (India) Limited and 6 others and the 3rd floor has been allotted by an agreement dated May 8, 2003 between Atlanta Infrastructure Limited and 6 others.	Corporate Offices	-
3.	Second Floor of Amba Shanti Chambers, Opposite Leela Hotel, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059.	Lease agreement dated April 1, 2005 between Rajhoo Bbarot and Atlanta Limited.	Corporate Offices	60 months from April 2005.
4.	Flat Nos. 901, 902, 1001, 1002 in Atlanta Manor, Opposite Raheja Township, Western Express Highway, Malad (East), Mumbai - 400 097	Lease agreement dated November 21, 2005 between Rajhoo Bbarot and Atlanta Limited.	For residence of managerial personnel	60 months October 2005.
5.	Land measuring 63,312 square metres in Thane.	Deed of conveyance dated September 16, 2003 between Sarojini Gopinath Menon and Atlanta Infrastructure Limited.	Proposed residential complex.	-
6.	Survey Nos. 174, 175 and 177 at Mauja Chicholi, Hingna Tehsil, District Nagpur. Total Area: 4.94 hectares	Sale deed dated June 27, 2006 between Atlanta Limited and Shri Shivram Ramkrishna Sakure.	Stone Quarry	-
7.	Survey Nos. 176, 166/1 and 166/2 at Mauja Chicholi, Hingna Tehsil, District Nagpur. Total Area: 5.67 hectares	Sale deed dated June 27, 2006 between Atlanta Limited and Smt. Kalpana Shivram Sakure.	Stone Quarry	-

### Purchase of property

There is no property which our Company has purchased or acquired or proposes to purchase or acquire, which is to be paid for wholly, or in part, from the net proceeds of the present Issue.



## C. REGULATIONS AND POLICIES

### **Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996**

The above law aims to provide for regulation of employment & conditions of service of the building and other construction workers as also their safety, health and welfare measures in every establishment, which employs or employed during the preceding year ten or more workers.

Some of the other main provisions of the Act are given below:

1. Provision for an Advisory Committee at the Central and the State levels with the function to advise the Governments concerned on such matters arising out of the administration of the Act as may be referred to it.
2. Provision for registration of each establishment within a period of sixty days from the commencement of work to ensure that there are no malpractices and to discourage non-compliance of law by circumventing.
3. Provision for registration of building workers as beneficiaries under this Act.
4. Provision for constitution of a Building and Other Construction Workers' Welfare Board by every State Government to exercise the powers conferred on, and perform the functions assigned to it, under the Act.
5. Provision for immediate assistance in case of accidents, old age pension, loans for construction of house, premia for group insurance, financial assistance for education, to meet medical expenses, maternity benefits etc.
6. Provision for health and safety measures for the construction workers in conformity with ILO convention No.167 concerning safety and health in construction revising the Safety Provisions (Building) Convention, 1937. For this purpose comprehensive Central Rules i.e. Building and other Construction Workers (Regulation of Service and Conditions of Service) Central Rules, 1998 have been notified by the Central Government.
7. Provision 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.

The exceptional cases where this Act does not apply is only in respect of residential houses for own purpose constructed with a cost not exceeding Rs. 10 lakh and such other activities to which the provisions of Factories Act, 1948 and Mines Act, 1952 apply.

**Note:** As on the date of filing this Red Herring Prospectus, the Maharashtra Government has not passed any notification or circular directing construction companies to obtain registration under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

### **The Mines Act, 1952**

The Mines Act, 1952 does not apply to our Company, as we do surface mining and the Mines Act, clearly specifies that it shall be applicable only to those mining projects where excavation is involved and the working do not extend below superjacent ground, OR, the depth of the excavation measured from its highest to its lowest point nowhere exceeds six metres.

### **FDI Investment in the Mining Sector**

The Mines and Minerals (Development and Regulation) Act, 1957, (MMDR) and the Mines Act, 1952, together with the rules and regulations under them constitute the basic laws governing the mining sector. Further, the Government has formulated the National Mineral Policy, which was revised in 1994 to permit private investment in exploration and exploitation of 13 specified minerals.

In 1999, the foreign investment policy has been further liberalised to promote Foreign Direct Investment (FDI) in the mining sector:

- Private Indian companies setting up/operating power projects as well as coal and lignite mines for captive consumption are allowed FDI upto 100 percent.
- 100 percent FDI is allowed for setting up coal processing plants subject to the condition that the company shall not do coal mining and shall not sell washed coal or sized coal from its coal processing plants in the open market and shall supply the washed or sized coal to those parties who are supplying raw coal to coal processing plants for washing or sizing.
- FDI upto 74 percent is allowed for exploration or mining of coal or lignite for captive consumption.
- In case of investment into coal and lignite sector, FDI is permitted upto 50 percent under automatic route subject to the condition that such investment does not exceed 49 percent of the equity of a public sector undertaking.



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## D. HISTORY AND OTHER CORPORATE MATTERS

### HISTORY AND BACKGROUND OF OUR COMPANY:

Our Company was incorporated under the name of “Atlanta Construction Company (India) Private Limited” vide Certificate of Incorporation No. 11-031852 of 1984 dated January 17, 1984 issued by the Additional Registrar of Companies, Maharashtra. The name was changed to “Atlanta Construction Company (India) Limited” on April 5, 1991 on being deemed a public company under Section 43A (1A) of the Companies Act, 1956. The name changed to “Atlanta Infrastructure Limited” on February 2, 1997 and to “Atlanta Limited” on December 16, 2004.

Since incorporation, our Company has been involved in the construction business and has successfully completed various projects including highways, airfield pavements, roads, reclamation, reinforced concrete tracks, buildings, sheds, water main laying and sewage works awarded by Government and semi-Government organizations such as the Airports Authority of India, Public Works Department, National Highways Authority of India and Military Engineering Services.

In the year 1999, we expanded our operations in the mining and real estate in the year 1991 and have since then successfully completed projects in the same. For more details on the projects undertaken and completed by our Company, please refer section titled “Our Business” beginning on page 51 of the Red Herring Prospectus.

For details of our past five years performance, significant accounting policies and qualifications from the Auditor, notes to accounts and installed capacity, please refer sections titled “Auditors’ Report”, “Our Business” and “Managements’ Discussion and Analysis of Financial Condition and Results of Operation” beginning on pages 85, 51 and 119 of the Red Herring Prospectus.

Pursuant to a resolution passed in the meeting of our Board on May 16, 1986 the Registered Office of our Company was shifted from D-2/22, Bharat Nagar, Grant Road, Bombay - 400 007 to B/22-A, Atlanta, V. M. Road, Vile Parle (W), Bombay. Further vide a resolution passed in the meeting of our Board on March 01, 2000 the Registered Office of our Company was further shifted to 101, Shree Ambashanti Chambers, Opp. Leela Hotel, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059.

### HISTORY AND MAJOR EVENTS

Year	Event
October 17, 1995	Completed widening and strengthening of National Highway No. 45 from Km. 67/0 to Km. 160/2 Package V & VI from Chengalpattu to Tindivanam in Tamil Nadu valued at Rs. 395.56 million for Ministry of Surface Transport.
March 28, 1998	Completed construction of Udaipur Bypass Road Phase-II on B.O.T. Basis valued at Rs. 244.50 million for Public Works Department, Udaipur.
December 31, 2001	Completion of improvement of arterial and sub arterial roads in Bangalore valued at Rs. 652.22 million for Bangalore Mahanagar Palike.
2002-03	Completed extraction and transfer of Coal/Coal Measure Strata in deploying “surface miners” on hire basis at Belpahar OCP valued at Rs. 40.91 million for Mahanadi Coal Fields.
April 15, 2004	Completion of periodic renewal of Vapi-Ambethi (link to pient) and Vapi Daman road valued at Rs. 128.38 million for National Highways Authority of India.
March 4, 2006	Registration Certificate to certify that the Management Systems of our Company have been assessed by International Certifications and found to comply with the requirements of ISO 9001 : 2000 Quality Management Standard.

### Changes in Registered Office of our Company

The table below shows the changes in the Registered Office since incorporation:

Previous Address	New Address	Reasons for Change in Office	Date of Change
D-2/22, Bharat Nagar, Grant Road, Bombay - 400 007	B/22-A, Atlanta, V. M. Road, Vile Parle (W), Bombay	For larger premises.	May 16, 1986
B/22-A, Atlanta, V. M. Road, Vile Parle (W), Bombay	101, Shree Ambashanti Chambers, Opp Leela Hotel, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059	For larger premises.	March 01, 2000





The requisite Form 18 for the shifting of the Registered Office was duly filed with the Registrar of Companies on both the occasions.

### MAIN OBJECTS OF THE COMPANY

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

1. "To acquire and take over as a going concern the business carried on under the name and style of "Atlanta Construction Company", Bombay and take all the assets and liabilities of that business and with a view there to enter into an agreement and carry into effect, with such modifications if any, as may be mutually agreed upon and to become parties and to enter into and carry into effect all such other agreements, deeds and instruments as may be necessary as may be deemed advisable or proper and on take over the concern shall stand dissolved.
2. To carry on in all their respective branches the business of general construction contractors and engineers and among other things to construct, execute, carry out, equip, improve work and undertake work of roadways, roads, bridges, docks, harbours, wharfs, canals, water-courses, reservoirs, embankments, irrigations, reclamations, sewages, drainage and other sanitary works and develop, superintend, manage and control public activity.
3. To carry on the business of builders, contractors engineers, erectors, constructors of buildings, houses, apartment structures or residential, office, industrial, institutional or commercial or developer of co-operative housing societies, developers of housing schemes, townships, holiday resorts, hotels motels, guest houses and particular preparing of buildings sites, constructing, reconstructing, erecting, altering, improving, enlarging, developing, decorating, furnishing and maintaining of structures, flats, houses, factories, ships, offices, garages, warehouses, buildings, works, workshops, hospitals, nursing home, clinics, godowns and other commercial, educational purposes and convenience to purchase for development, investment or development, investment or for resale lands, house, houses, buildings, structures and other properties of any tenure and any interest therein and purchases, sell and dealing in freehold and leasehold ground rents and to make advance upon the security of lands, houses, structures and other property or any interest therein and generally to purchase property sell, lease, hire, exchange or otherwise deal in land and house property and other property whether real or personal and to turn the same into account as may seem expedient."

### CHANGES IN MEMORANDUM OF ASSOCIATION

Date of Shareholders' Approval	Changes in the Memorandum of Association
July 29, 1986	Increase in Authorised Capital
April 16, 1988	Increase in Authorised Capital
September 28, 1990	Increase in Authorised Capital
February 07, 1997	Change in the name of the Company
January 29, 2001	Increase in Authorised Capital
May 04, 2001	Conversion from Private Limited to Public Limited
April 23, 2002	Increase in Authorised Capital
March 25, 2004	Sub division in the face value of shares
July 26, 2004	Addition of New Object
December 16, 2004	Change in the name of the Company
March 28, 2005	Increase in Authorised Capital
December 19, 2005	Increase in Authorised Capital

#### Raising of Equity

For details in relation to the raising of equity, please refer to chapter titled "Capital Structure" beginning on page 13 of the Red Herring Prospectus.

#### Subsidiaries

We do not have any subsidiaries as on date of filing of the Red Herring Prospectus.

#### Shareholders Agreement

Our company has not entered into any shareholders agreement except for an agreement with the preference shareholders which provides for redemption of 2.5 million 25% Non-cumulative Redeemable Preference Shares at Rs 50 per share after 15 years or at any time at the sole discretion of the company.



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Agreement dated March 28, 2005 between Atlanta Limited and Ideal Toll Road Investments and Operations Private Limited.

- The key terms of the said agreement are: The Shareholder has agreed to subscribe to 10,00,000 shares.
- The said shares shall be redeemable after 15 years or at any time at the sole discretion of the Company @ Rs. 50 per preference share.
- If the Company opts for redemption of the said shares, no dividend shall be payable by the Company after the date on which the decision is communicated.
- The shares shall be locked in for a period of 15 years.
- The Shareholder shall communicate acceptance through a board resolution.
- The Shareholder shall have a right to vote if no dividend is paid for two years successively or, for a period of three years out of a period of six years.

### Joint Venture Agreements

A company may not at all times satisfy the pre-qualification requirements independently. In such cases, joint ventures between two or more companies aids in satisfying pre-qualification requirements. Our company has entered into the following joint ventures:

**1. Widening 4/6 lanes and strengthening of existing two-lane carriageway of National Highway 5 in the State of Orissa from 387.7 km. to 414.0 km. (Khurda-Bhubaneshwar).**

**Name:** Gammon-Atlanta Joint Venture

**Partner:** Gammon India Limited

**Details of Gammon India Limited:** Gammon India Limited was originally incorporated as J.C. Gammon (Bombay) Limited having registration no. 11-997 on June 15, 1922 having its registered office at Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai 400 024 and is registered with the Registrar of Companies, Maharashtra at Mumbai.

The Paid-Up Equity Capital and turnover of Gammon India Limited as on March 31, 2006 was Rs. 174.9 million and Rs. 14,851 million, respectively.

**Client:** National Highways Authority of India

**Contract value:** Rs. 1,189,010,112/-

**Our share of the contract value:** 50%

**Agreement:** Joint venture agreement dated December 5, 2000

**Validity:** The joint venture agreement would terminate when the objectives of the contract are performed and all matters outstanding at the date of such performance have been dealt with in accordance with the agreement. The joint venture agreement shall stand automatically terminated in case of successful completion of the contract agreement or in case of cancellation of the contract by National Highways Authority of India, and after the disputes with National Highways Authority of India or amongst the partners themselves are settled and due payments are realised.

**General Terms:** Gammon India Limited is the lead partner in this joint venture. Atlanta Limited is the equal partner of the joint venture for the performance of the contract. The parties are to contribute equally to the working capital as decided by the management board, and are responsible for qualitative and quantitative performance of their own respective work. The profit or loss is to be divided equally between the partners.

**2. Construction of the Segment of Lucknow By-Pass connecting NH - 25 and NH - 28 via NH - 56 passing through Lucknow city in the State of Uttar Pradesh under phase -II programme of North South and East West corridors project.**

**Name:** Prakash-Atlanta Joint Venture

**Partner:** PBA Infrastructure Limited

**Details of PBA Infrastructure Limited:** PBA Infrastructure Limited was incorporated on July 31, 1974 having incorporation number 017653 having its registered office at Prakash 611/3v N Purav Marg, Chembur, Mumbai, Maharashtra-400071.

The paid-up capital and turnover of PBA Infrastructure Limited as on March 31, 2005 was Rs.84.99 million and Rs. 1,300.17 million respectively.

**Client:** National Highway Authority of India

**Contract Value:**Rs. 1,928 million



**Our share of the contract value: 50%**

**Agreement:** Joint venture agreement dated August 23, 2001.

**Validity:** The joint venture agreement would terminate when the objectives of the contract are performed and all matters outstanding at the date of such performance have been dealt with in accordance with the agreement. The joint venture agreement shall stand automatically terminated in case of successful completion of the contract agreement or in case of cancellation of the contract by National Highways Authority of India, and after the disputes with National Highways Authority of India or amongst the partners themselves are settled and due payments are realised.

**General terms:** Prakash Building Associates Limited is the lead partner in the joint venture. Atlanta Limited is the equal partner of the joint venture for the performance of the contract and financing of the contract. The parties are to operate commercially as a separate concern and are responsible for the full, proper and timely performance of their own respective scope of work. As per the Joint Venture Agreement for the respective portions of work the parties shall make their own arrangement to bring the required plants and equipment, materials, man power and other resource though planning shall be done jointly.

### 3. **Proposed commercial Complex at Goregaon:**

**Name:** M/s. Atlanta - Thakural Constructions

**Partner:** Mr. Kishore P. Thakural

Mr. Jay Kishore Thakural

**Client:** Neptune Wires Private Limited

**Our share of the contract value: 50%**

**Agreement:** Partnership Deed dated May 5, 2006.

**Validity:** The partnership will be dissolved on mutual consent between the parties and on completion of the said project and its consequent sale and realization of money.

**General terms:** Our Company is the lead partner in the joint venture. Our profit / loss sharing ratio in the said partnership is 50% whereas that of the other partners being Mr. Kishore P. Thakural and Mr. Jay Kishore Thakural is 40% and 10% respectively. The parties are to operate commercially as a separate concern and are responsible for the full and proper performance of their own respective scope of work.

#### **Other Agreements**

Other than what is mentioned hereinabove, there are no other agreements entered into by our Company other than those entered into during the course of business.

#### **Strategic Partners**

There are no strategic partner agreements entered into by our Company.

#### **Financial Partners**

There are no financial partnership agreements entered into by our Company.



ATLANTA LIMITED

## E. OUR MANAGEMENT

### BOARD OF DIRECTORS

Sr. No.	Name, Designation, Father's Name, Address and Occupation	Nationality	Age (in years)	Details of other Directorships
1.	<b>Mr. G. Viswanathan</b> Chairman, S/o Mr. S. Ganapathy Subramani, 10, Nilgiri, Chheda Nagar, Chembur, Mumbai - 400089. Business	Indian	53	Doshion Exchange and Chemical Industries Limited
2.	<b>Mr. Rajhoo Bbarot</b> Managing Director, S/o Mr. Ambalal Barot, Ashirwad, B-22, V.M. Road, Vile Parle (W), Mumbai - 400 049 Business	Indian	51	<b>Managing Director</b> 1) Ideal Toll Road Investments & Operations Private Limited <b>Director</b> 1) Atul Raj Builders Private Limited, 2) Balaji Toll Ways Limited, 3) Vaikuntam Realty Private Limited, 4) Shrikant Studios Private Limited
3.	<b>Mr. Rikiin Bbarot</b> Executive Director (Projects) S/o Mr. Rajhoo Bbarot Ashirwad, B-22, V.M. Road, Vile Parle (W), Mumbai - 400 049 Business	Indian	26	Balaji Toll Ways Limited, Vaikuntam Realty Private Limited
4.	<b>Mr. G. Radhakrishnan</b> Executive Director (Finance) S/o Mr.G.Pillai B-202, Charkop West View Co-operative Housing Society, Sector 2, Charkop, Kandivali (West), Mumbai. Business	Indian	46	Balaji Toll Ways Limited
5.	<b>Dr. Samir Degan</b> Non-Executive Director S/o Mr. Om Prakash Degan Address: 17, Nishat, Little Gibbs Road, Malabar Hill, Mumbai - 400 006 Business	Indian	43	<b>Managing Director</b> 1) Osnar Paints and Contracts Private Limited <b>Director</b> 1) Osnar Chemicals Private Limited 2) Osnar Pipe Coating Private Limited 3) Omni Polymers and Chemicals Private Limited
6.	<b>Mr. Arpan Brahmhatt</b> Non-Executive Director S/o Mr. Mannubhai Brahmhatt Address: 802, Sai Baba Tower, N. Datta Road, Behind D. N. Nagar Police Station, Andheri (West) Mumbai - 400 053. Business	Indian	36	<b>Managing Director</b> 1) Core Contracting Private Limited 2) Flair Constructions Private Limited <b>Director</b> 1) Icon Consultants Private Limited



## BRIEF BIOGRAPHY OF OUR DIRECTORS

### A brief profile of board members other than Promoters is given below:

**Mr. G. Viswanathan**, Chairman 53 years, is a member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He has 25 years of experience in finance, operations, and general management, including international trade, collaboration, joint venture and structuring management. He started his career with the Tata Group of Companies "TELCO/NELCO." Suhail & Saud Bahwan, Muscat employed him as Head of Finance. He returned to India and joined Ion Exchange (India) Limited as Vice-President (Finance & Commercial). He was then employed by an Indonesian construction company belonging to Texmaco, as Chief Executive Officer. He was then Group President of Ficom Organics Limited. Presently, he is a senior member of the Trans Management Group, as a management consultant, and is engaged in advising companies on management to address competition and opportunities in establishing business operations in India. He is also a director of Doshion Exchange and Chemical Industries Limited.

#### **Mr. G. Radhakrishnan**, Executive Director (Finance)

46 years, holds a Bachelor's degree in Mechanical Engineering from the University of Mumbai, a Diploma in Operational Management from the Jamnalal Bajaj Institute of Management Studies and a Master's degree in Management Studies from S.P. Jain Institute of Management and Research. He is also a member of the Institute of Chartered Financial Analysts of India. He has over 22 years of experience in finance, commercial and managerial matters. He has been previously employed by OTIS Elevators (India) Limited as Production Control Executive; as Management Accountant in Mukund Iron & Steel Works Limited; as Executive Assistant to Chairman in Khimline Pumps Limited; as Planning & Development Executive in Larsen & Toubro Limited; as Finance Manager in ION Exchange (India) Limited. He has also worked overseas with AGAP Arabia Limited, Inma Steel Fabricators Co. Limited, Roofing & Insulation Company Limited, Tasqueef in various capacities such as Cost Controller, Finance Manager, General Manager and Support Services Manager.

#### **Dr. Samir Degan**, Non-Executive Independent Director

43 years, has completed his Bachelors of Science in Chemistry from University of Bombay, Masters of Science in Organic Chemistry from University of Bombay and Ph. D. in Organic Chemistry from University of Michigan. He has previously served as Research/Teaching Assistant and then as Lecturer in the University of Michigan, Dearborn Campus. He is a member of the Society for Protective Coatings and NACE International. He has 6 years of experience as an academician and 15 years of experience in the industry. He is involved in corrosion protection field through Osnar Paints and Contracts Private Limited and in the asphalt field through Osnar Chemical Private Limited. His expertise lies in road binding technology, prevention of corrosion.

#### **Mr. Arpan Brahmhatt**, Non-Executive Independent Director

36 years, holds a degree in Civil Engineering and has an experience of 15 years in the construction business and has executed many projects. He is presently the Managing Director in Core Constructions Private Limited and Flair Constructions Private Limited, Director in Icon Consultants Private Limited, partner in Amcons and proprietor in Aakar Construction Company and Edifice Constructions.

## BORROWING POWERS OF DIRECTORS

The Articles of Association of our Company authorises the board to borrow, the extract of which is as follows:

### **Borrowing Powers**

Subject to the provisions of Sections 58A, 292 and 293 of the Act, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposit from members either in advance of calls or otherwise and generally raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting. Subject to the provisions of the Act and of the Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board, receive deposits from its members, directors or their relatives and receive loans from its members, either in advance of call or otherwise, and generally raise or borrow money either in India or abroad by way of loans, overdrafts, cash credit or by issue of bonds denominated in various currencies, debentures or debenture stock with or without any option attached to it (perpetual or otherwise), commercial paper or in any other manner, from any bank, financial institution, company, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed.



## ATLANTA LIMITED

Subject to the provisions of Article 110, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Ordinary Resolution shall prescribe including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Further, pursuant to an ordinary resolution passed at the EGM held on January 13, 2005 of our Company, our Directors were authorised to borrow money(s) in excess of the aggregate amount of paid up share capital and free reserves of our Company from time to time subject to an amount not exceeding Rs. 3,000 million pursuant to section 293(1)(d) of the Companies Act.

### **Details of appointment and compensation of our Executive Directors**

#### **Mr. Rajhoo Bbarot, Managing Director**

Mr. Rajhoo Bbarot has been a Director of our Company since October 1, 1985. He was appointed as the Managing Director of our Company for a term of 5 years with effect from January 22, 2005 vide a resolution of our Shareholders.

The remuneration of Mr. Rajhoo Bbarot was increased by a resolution of the Shareholders of our Company at the EGM held on January 13, 2006 to Rs. 1,200,000 p.a. with effect from January 1, 2006. The other perquisites available to Mr. Bbarot are house rent allowance of 60% of the salary of Company owned fully furnished residential accommodation along with the basic amenities. In addition to the same, Mr. Bbarot is also eligible for contribution to provident fund, superannuation fund and gratuity as per the rules of our Company and as applicable to the senior Executives of our Company. He is also entitled to remuneration subject to the limits of 5% and 10% of the net profits of our Company with an overall limit of 11% of the net profits of our Company in accordance with the Companies Act, 1956.

#### **Mr. Rikiin Bbarot, Executive Director (Projects)**

Mr. Rikiin Bbarot has been a Director of our Company since January 15, 2000. He was appointed as Executive Director (Projects) for a term of 5 years vide resolution passed by the Board of Directors of our Company on December 20, 2005.

The remuneration of Mr. Rikiin Bbarot was increased by a resolution of the Board of Directors dated December 20, 2005 to Rs. 420,000/- p.a. with effect from January 1, 2006. The other perquisites available to Mr. Bbarot are house rent allowance of 60% of the salary of Company owned fully furnished residential accommodation along with the basic amenities. In addition to the same, Mr. Bbarot is also eligible for contribution to provident fund, superannuation fund and gratuity as per the rules of our Company and as applicable to the senior Executives of our Company. He is also entitled to remuneration subject to the limits of 5% and 10% of the net profits of our Company with an overall limit of 11% of the net profits of our Company in accordance with the Companies Act, 1956.

#### **Mr. G. Radhakrishnan, (Executive Director (Finance))**

Mr. G. Radhakrishnan has been a Director of our Company since January 28, 2003. He was appointed as Executive Director (Finance) for a term of 5 years.

The remuneration of Mr. G. Radhakrishnan was increased by a resolution passed at the meeting of the Board of Directors on December 20, 2005 to Rs. 420,000/- p.a. with effect from January 1, 2006. The other perquisites available to Mr. Radhakrishnan are house rent allowance of 60% of the salary of Company owned fully furnished residential accommodation along with the basic amenities. In addition to the same, Mr. Radhakrishnan is also eligible for contribution to provident fund, superannuation fund and gratuity as per the rules of our Company and as applicable to the senior Executives of our Company. He is also entitled to remuneration subject to the limits of 5% and 10% of the net profits of our Company with an overall limit of 11% of the net profits of our Company in accordance with the Companies Act, 1956.

### **CORPORATE GOVERNANCE**

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI Guidelines in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchanges. Our Company undertakes to adopt the corporate governance code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges prior to listing. Our Company undertakes to comply with such provisions, including with respect to the appointment of independent directors to its Board and the constitution of the Audit Committee, the Remuneration/Compensation Committee and the Share Transfer and Investor Grievance Committee. However, at present the following committees have been formed:



### **Audit Committee**

We have an Audit Committee, which has been constituted pursuant to provisions of the Companies Act. The Audit Committee was approved and constituted and formed by a meeting of the Board of Directors held on December 20, 2005. The Audit Committee comprises of the following Directors:

1. Mr. G. Viswanathan - Chairman
2. Mr. Samir Degan
3. Mr. Arpan Brahmhat

The terms of reference of the Audit Committee are as follows:

1. to oversee the Company's financial reporting process and to ensure that the financial statements are correct, sufficient and credible;
2. to recommend appointment or removal of statutory auditor and to recommend remuneration payable to the auditors;
3. to review with management the financial statements before the board in the context of change in accounting policies, qualifications in the audit report, compliance of accounting standards, significant adjustments, arising out of audit and any related party transactions that may have potential conflict with the interest of the Company;
4. to review the adequacy of internal audit function including structure, staffing reporting structure, coverage and frequency of internal audit, discussion with the internal auditor for any significant findings and follow up thereof;
5. to review findings of any internal investigations by the internal auditors where there is suspected fraud or irregularity or failure of internal control system of material nature which require reporting to the board; and
6. to look into any other matters as may be required by the Companies Act, 1956 or by rules framed thereunder.

### **Remuneration/Compensation Committee**

The Remuneration/Compensation Committee was approved and constituted by a meeting of the Board of Directors held on December 20, 2005 and presently comprises the following Directors:

1. Mr. Arpan Brahmhatt - Chairman
2. Mr. G. Viswanathan
3. Dr. Samir Degan

The broad terms of reference of the Remuneration/Compensation Committee are as follows:

- (i) "to recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/Deputy Managing/ Whole time/ Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- (ii) to be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/Deputy Managing/Whole time/ Executive Directors, including pension rights and any compensation payment;

### **Shareholders' / Investor Grievance Committee**

The Share Transfer and Investor Grievance Redressal Committee was approved and constituted by a meeting of the Board of Directors held on December 20, 2005 and presently comprises the following Directors:

1. Mr. Arpan Brahmhat - Chairman
2. Mr. Rajhoo Bbarot
3. Mr. G. Radhakrishnan



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## SHAREHOLDING OF OUR DIRECTORS

As per our Articles, our Directors are not required to hold any Equity Shares in our Company. Save and except as below, our Directors do not hold any Equity Shares in our Company as on the date of filing of the Red Herring Prospectus.

Sr. No.	Names of our Directors	No. of Equity Shares	% age of Pre-Issue Capital
1.	Rajhoo Bbarot	2,806,700	23.39
2.	Rikiin Bbarot	3,972,150	33.10

## INTEREST OF PROMOTERS, DIRECTORS AND SIGNIFICANT SHAREHOLDERS

All Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them under our Articles of Association. The whole time Directors will be interested to the extent of remuneration paid to them for services rendered by them as officers or employees of our Company. All our Directors may also be deemed to be interested to the extent of equity shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of the Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said equity shares.

Our directors may also be regarded as interested in the equity shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as directors, members, partners or trustees.

Further:

- Mr. Rajhoo Bbarot and Mrs. Bhavana Bbarot, are interested to the extent of lease rent of Rs. 150,000/- being paid by our Company per month for our Registered Office located at 101, Shree Ambashanti Chambers, Opp. Leela Hotel, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059.
- Mr. Rajhoo Bbarot is also interested to the extent of lease rent of Rs. 60,000/- being paid by our Company per month for residence premises provided to Engineers at our premises at Atlanta Manor, Malad, Mumbai.

Except as stated herein under and in section titled "History and other Corporate Matters" beginning on page 70 of the Red Herring Prospectus, the Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Red Herring Prospectus, in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

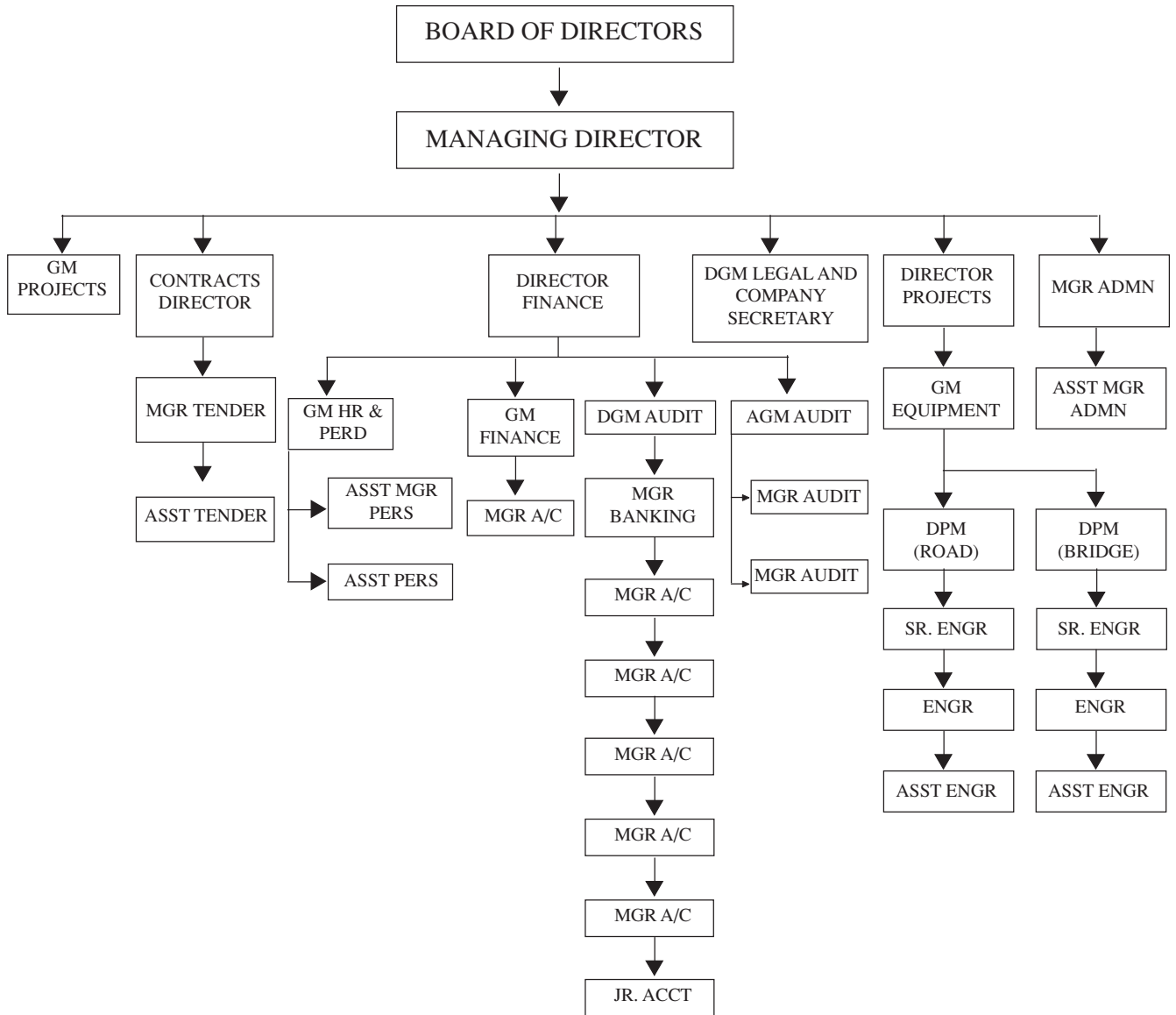
## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Sr. No.	Name of the Director	Date of Change	Reason
1	Mr. Arpan Brahmhatt	December 9, 2005	Appointed as additional director
2	Mr. G. Viswanathan	December 9, 2005	Appointed as additional director
3	Dr. Samir Degan	December 9, 2005	Appointed as additional director
4	Mr. Subhash Niyogi	September 15, 2005	Appointed as additional director
5	Mr. G. Radhakrishnan	January 28, 2003	Appointed as additional director
9.	Mr. Vijay Nadkarni	January 7, 2006	Resignation
8.	Mr. Subhash Niyogi	January 2, 2006	Resignation
6	Mrs. Bhavana R. Bbarot	September 1, 2005	Resignation





### Organizational Chart





ATLANTA LIMITED

## OUR KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company other than our Directors are as follows:

### **Mr. R.K. Khatri**, General Manager (Finance)

42 years, holds a Bachelor's degree in science from the University of Calcutta and is with our Company since July 31, 2001. He has over 17 years of experience in finance, accounts and taxation. He is also a member of the Institute of Cost and Works Accountants. He has previously been employed with Nucon India Private Limited, Swil Limited, Texmaco Limited, ATV Projects India Limited, Nagareeka Foils Limited. His annual remuneration for FY 2006 was Rs. 339,000/-.

### **Mr. Vilas Vishnu Mane**, General Manager (Human Resources & Personnel)

52 years, holds a Bachelor's degree in social science from Tilak Maharashtra Vidyapith, a Law degree from University of Mumbai, and a Master Diploma in Personnel Management from Symbiosis Institute of Management Studies. In addition, he also holds a Diploma in Labour Welfare from the Indian School of Labour Education and a Diploma in Industrial Management from Principal L.N. Wellingkar Institute of Management Development and Research. He has over 22 years of experience in human resource. He has worked with the organizations like Sun Pharmaceuticals Limited, Narmada Cement Limited, Kohinoor Smith Glass Products and Zenith Rubber Industries in various capacities. Mr. Mane joined our Company in March 2005 and his annual remuneration for FY 2006 was Rs. 332,000/-.

### **Mr. B.S. Korigeri**, Deputy General Manager (Accounts)

44 years, holds a Bachelor's degree in Commerce from Karnataka University, Dharwar and also holds a Master's degree in Business Administration (Finance and Marketing) from Shivaji University, Kolhapur and is with our Company since January 1, 1988. He has over 20 years of experience in finance. His annual remuneration for FY 2006 was Rs. 306,000/-.

### **Mr. Sachin Jain**, DGM (Legal) and Company Secretary

29 years, holds a Bachelor's degree in Commerce and a Bachelor's degree in Law from Vikram University, Ujjain and is a member of the Institute of Company Secretaries of India. Mr. Jain joined our Company in January 2006. Prior to joining our Company he was employed with National Securities Depository Limited, Hemanshu Kapadia & Associates and Wilson Logistics (India) Limited. He has a total experience of 4 years. His annual remuneration for FY 2006 was Rs. 418,000/-.

### **Mr. Ulhas Bhole**, Chief Project Manager (Lucknow Project)

40 years, holds a Bachelor's degree in Civil Engineering from University of Mumbai and is with our Company since August 18, 1987. He has over 18 years of experience. His annual remuneration for FY 2006 was Rs. 482,000/-.

### **Mr. Aditya Singh Baghel**, Mining Engineer

34 years, holds a Diploma in Mining and Mine Surveying Engineering from Madhya Pradesh Board of Technical Education, Bhopal and is with our Company since July 24, 2002. He has over 9 years of experience, and has previously been employed by Associated Cement Companies Limited, Goenka Lime & Chemicals Limited and Jog Engineering. His annual remuneration for FY 2006 was Rs. 227,600/-.

### **Mr. P.P. Pillai**, Project Manager

34 years, holds a Bachelor's degree in Civil Technology from Regional Engineering College, Kurukshetra. He also holds a Postgraduate Diploma in Advanced Construction Management from National Institute of Construction Management and Research, Pune. He has been with our Company since January 7, 1999. He has over 10 years of experience and has previously been employed by Meridian Constructions, Patel Engineering Company Limited and Mahindra Acres Consulting Engineering Limited. His annual remuneration for FY 2006 was Rs. 353,000/-.

### **Mr. Kundlik Bhapkar**, General Manager (Projects)

43 years, has done his education from Government Polytechnic, Pune and has an experience of 22 years in the industry. He was previously employed with Unity Infraprojects Limited as General Manager Projects. He has also worked with companies like Zoom Developers Private Limited, V.M Jog Construction Company Limited. His annual remuneration for FY 2006 was Rs. 708,000/-.

**The key managerial personnel whose names appear above are permanent employees and are on the rolls of our Company.** None of the above mentioned key managerial personnel are related to each other except Mr. Rajhoo Bbarot and Mr. Rikiin Bbarot, Mr. Rajhoo Bbarot is the father of Mr. Rikiin Bbarot. None of the key managerial personnel are appointed pursuant to any arrangement or understanding with major shareholder, customer or supplier.

**SHAREHOLDING OF OUR KEY MANAGERIAL PERSONNEL**

The above mentioned Key Managerial Personnel do not hold any shares in our Company.

**BONUS OR PROFIT SHARING PLAN AND INTEREST OF KEY MANAGERIAL PERSONNEL**

Our Company does not have any bonus or profit-sharing plan for Key Managerial Personnel. No amount or benefit has been paid or given within the two preceding years or are intended to be given to any of our key managerial personnel except the normal remuneration for services rendered as directors, officers or employees.

**CHANGES IN OUR KEY MANAGERIAL PERSONNEL DURING THE LAST ONE YEAR**

Sr. No.	Name	Date of Change	Designation	Reason
1.	Mr. Abhay Patil	January 2, 2006	General Manager (Projects)	Appointed
2.	Mr. Sachin Jain	January 2, 2006	Company Secretary	Appointed
3.	Mr. Kundlik Bhapkar	April 29, 2006	General Manager (Projects)	Appointed
4.	Mr. P. S. Multani	September 26, 2005	Project Manager (Structures)	Resigned
5.	Mr. Ajit Deshpandey	October 1, 2005	Deputy Project Manager	Resigned
6.	Mr. Anil Kumar Sharma	December 17, 2005	Project Manager	Resigned
7.	Mr. Vijay Nadkarni	March 13, 2006	Contracts Director	Retired
8.	Mr. R. Ramakrishnan	June 30, 2006	General Manager (Projects)	Retired
9.	Mr. Abhay Dinkar Patil	July 16, 2006	General Manager (Projects)	Resigned
10.	Mr. Chirag Mehta	July 31, 2006	Assistant General Manager Audit	Resigned

**Manpower**

We have 136 permanent employees working as on January 1, 2006. The details of manpower employed by us are as follows:

Sr. No.	Cadre	Total Manpower
1.	General Managers	5
2.	Project Managers	10
3.	Senior Engineers	19
4.	Assistant Engineers/Accountants	44
5.	Foreman cum technician	58
	<b>Total</b>	<b>136</b>

**Disclosures regarding the Employee stock option scheme**

There is no employee Stock Option Scheme as on date in our Company.

**Payment or benefit to officers of the Company**

There is no payment or benefit to be given to the officers of our Company other than their remuneration or salary.



## OUR PROMOTERS AND THEIR BACKGROUND

**Mr. Rajhoo Bbarot**, Managing Director, 51 years



He holds a Bachelor's degree in science from the University of Mumbai and a Diploma in Civil Engineering from V.J.T.I, Mumbai. He has promoted our Company and has been the driving force in the growth of our Company. He has 25 years of experience in construction business. He has carried out a wide range of civil engineering projects of large magnitude like that of construction of Highways, Airfield Pavements, Buildings, Reinforced Concrete Tracks, and Mining. He was also a member of the Mechanisation Committee set up by the Ministry of Surface Transport for upgradation and modernisation of road construction equipment, from 1988-1990. He is a member of the 'Working group on National Highways for privatisation of roads' of the Confederation of Indian Industries.

Passport No.: E5250975

Voter Id No.: Not Available

Driving Licence No.: 507667

**Mr. Rikiin Bbarot**, Executive Director (Projects) 26 years



He holds a bachelor's degree in commerce from Commercial University, Delhi and a Diploma in Civil Engineering. He is presently pursuing Masters in Management from S. P. Jain Institute of Mangament and Research in Family Managed Business. He has an experience of 5 years in the industry and has attained first hand experience in implenting modern technology construction in multi-facilitate projects with different logistics. He has been instrumental in developing and implementing 'Sitrep system' resulting in improved productivity and better equipment utilisation, which facilitated timely completion of projects.

Passport No.: U972177

Voter Id No.: Not Available

Driving Licence No.: 20665

### **In addition to our Promoters, the following persons / entities constitute the Promoter Group:**

1. Rajendra Barot (HUF) - Mr. Rajhoo Bbarot is the *Karta* of the Hindu Undivided Family
2. Mrs. Bhavana R. Bbarot - Wife of Mr. Rajhoo Bbarot
3. Mrs. Riddhima Doshi - Daughter of Mr. Rajhoo Bbarot
4. Ambalal Barot (HUF) - Mr. Rajhoo Bbarot is the *Karta* of the Hindu Undivided Family
5. Shrikant Studios Private Limited - Company promoted by Mr. Rajhoo Bbarot  
The natural persons in control of the company are Mr. Rajhoo Bbarot, Mr. Atul A. Barot, Mr. Shadilal Kesoram Chopra, and Mrs. Santosh Shandilal Chopra
6. Atul Raj Builders Private Limited - Company promoted by Mr. Rajhoo Bbarot  
The natural persons in control of the company are Mr. Rajhoo Bbarot and Mr. Atul A. Barot
7. Ideal Toll Road Investments and Operation Private Limited - Company promoted by Mr. Rajhoo Bbarot  
The natural persons in control of the company are Mr. Rajhoo Bbarot and Mrs. Bhavana Bbarot
8. Balaji Toll Ways Limited - Company promoted by Atlanta Limited  
The natural persons in control of the company are Mr. Rajhoo Bbarot, Mr. G. Radhakrishnan and Mr. Rikiin Bbarot
9. Vaikuntam Realty Private Limited - Company promoted by Mr. Rajhoo Bbarot  
The natural persons in control of the company are Mr. Rajhoo Bbarot, Mr. Rikiin Bbarot and Mrs. Bhavana Bbarot



10. Ambika Trading Corporation -Venture promoted by Mrs. Bhavana Bbarot, Mrs. Riddhima Doshi, Mrs. Rekha Barot, Ms. Mili Barot and Ms. Chaitali Barot.
11. AAP Construction Company - Venture promoted by Atlanta Limited
12. Mr. Atul Barot - Brother of Mr. Rajhoo Bbarot
13. Mrs. Rekha Atul Barot- Wife of Mr. Atul Barot
14. Mr. Dhawal Atul Barot - Son of Mr. Atul Barot
15. Miss Mili Atul Barot - Daughter of Mr. Atul Barot
16. Miss Chaitali Atul Barot - Daughter of Mr. Atul Barot

We confirm that the Permanent Account Number and Bank Account Numbers have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus. Further, our Promoters have not been identified as a willful defaulter by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by our Promoters in the past or any such proceedings are pending against our Promoters.

#### **Common Pursuits**

We have 6 Group Companies / Partnership Firms viz. Atul Raj Builders Private Limited, Ideal Toll Road Investments & Operations Private Limited, Balaji Tollways Limited, Vaikuntham Realty Private Limited, Ambika Trading Corporation and AAP Construction Company having main objects and business similar to our Company. Interests of these companies may conflict with each other. For more details on the same, please refer to section titled “Financial Information of Group Companies” beginning on page 113 of the Red Herring Prospectus

#### **Interest of the Promoters**

Our Promoters have no interest other than reimbursement of expenses incurred or normal remuneration or benefits and their shareholding in our Company, if any.

Further:

- Mr. Rajhoo Bbarot and Mrs. Bhavana Bbarot, are interested to the extent of lease rent of Rs. 150,000/- being paid by our Company per month for our Registered Office located at 101, Shree Ambashanti Chambers, Opp. Leela Hotel, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059.
- Mr. Rajhoo Bbarot is also interested to the extent of lease rent of Rs. 60,000/- being paid by our Company per month for residence premises provided to Engineers at our premises at Atlanta Manor, Malad, Mumbai.

#### **Payment or benefit to promoters of the Company**

There is no payment or benefit to be given to the Promoters of our Company other than being a shareholder or remuneration as a Director.

#### **Currency of Presentation**

Throughout the Red Herring Prospectus unless the context otherwise requires all references to “Rupees” / “Rs.” is the legal currency of the Republic of India



ATLANTA LIMITED

## F. DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, cash flows, capital expenditure, capital requirements and overall financial condition. We have declared and paid dividend on Equity Shares only in the Fiscal Years 2006, 2005, 2003, 2002 and 2001. The dividend per share was at the rate of 5% of the face value of each share.

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. Dividends are paid in cash.



## V. SECTION : FINANCIAL STATEMENTS

### A. AUDITORS' REPORT

SURESH C. MANIAR & CO.  
CHARTERED ACCOUNTANTS  
87, ARCADIA,  
195 NARIMAN POINT  
MUMBAI - 400 021

#### AUDITORS' REPORT

To  
THE BOARD OF DIRECTORS  
ATLANTA LIMITED  
(Formerly Atlanta Infrastructure Ltd.)  
101, Shree Amba Shanti Chambers  
Opp. Hotel Leela, Andheri - Kurla Road  
Andheri (E), Mumbai - 400 059

Dear Sirs,

- A. a) We have examined the annexed financial information of Atlanta Limited (Formerly Atlanta Infrastructure Ltd.) ('the Company') for the five financial years ended 31st March 2002, 2003, 2004, 2005 and 2006 being the last date to which the account of the Company have been made up and audited by us for presentation to the members of the Company.
- b) In accordance with the requirements of:
- 1) Paragraph B(1) of Part II of Schedule II to the Companies Act 1956 ('the Act')
  - 2) The Securities and Exchange Board of India ("SEBI") - Disclosure and Investor Protection Guidelines, 2000 [as amended vide Circular No.11 on August 14, 2003] ('the Guidelines') issued by the Securities and Exchange Board of India on January 19, 2000, in pursuance of Section 11 of the Securities and Exchange Board of India Act 1992 and related clarification and,
  - 3) Our terms of reference given vide your letter dated 12.12.2005 requesting us to carry out work in connection with the Issue as aforesaid.

We report that:

- a) The restated profits of the Company for the financial years ended March 31, 2002, 2003, 2004, 2005 and 2006 are as set out in Annexure I to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the in the Significant Accounting Policies and Notes to Accounts as appearing in Annexure III to this report.
- b) The restated assets and liabilities of the Company as at March 31, 2002, 2003, 2004, 2005 and 2006 are as set out in Annexure II to this report after making such adjustments / restatements and regroupings as in our opinion are appropriate and are more fully described in the Significant Accounting Policies and Notes to Accounts as appearing in Annexure III to this report.
- B. 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 and annexed to this report:

Annexure IV	Cash Flow Statement
Annexure V	Statement of Sundry Debtors
Annexure VI	Statement of Loans & Advances
Annexure VII	Statement of Secured Loans
Annexure VIII	Statement of Unsecured Loans
Annexure IX	Statement of Contingent Liability



**ATLANTA LIMITED**

Annexure X	Statement of Other Income
Annexure XI	Statement of Accounting Ratios
Annexure XII	Statement of Rate of Dividend
Annexure XIII	Capitalisation Statement
Annexure XIV	Statement of Tax Shelter
Annexure XV	Statement of Related Party Disclosure

- C. a) In our opinion the financial information of the Company read with Significant Accounting Policies and Notes on Accounts attached in Annexure III to this report, after making adjustments and regroupings as considered appropriate has been prepared in accordance with Part II of Schedule II of the Act and SEBI Guidelines.
- b) This report is intended solely for your information and for the inclusion in the Offer Document in connection with specific public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For SURESH C. MANIAR & CO.  
CHARTERED ACCOUNTANTS

-Sd/-  
K.V. SHETH  
PARTNER  
(M. NO. 30063)

PLACE : MUMBAI  
DATED : 29TH APRIL, 2006





**ANNEXURE I**

**STATEMENT OF PROFITS AND LOSSES, AS RESTATED**

The Profit and Loss statement of the company for five financial years ended 31/3/2002 to 31/3/2006 read with significant accounting policies, after making certain regroupings for comparability and making adjustments as stated in the notes to accounts are set out below:

**(Rupees in million)**

<b>PARTICULARS</b>	<b>Year Ended 31/03/2002</b>	<b>Year Ended 31/03/2003</b>	<b>Year Ended 31/03/2004</b>	<b>Year Ended 31/03/2005</b>	<b>Year Ended 31/03/2006</b>
<b>INCOME</b>					
Contract Receipts	261.43	427.43	596.47	806.99	1,071.70
Increase / (Decrease) in Inventories	(1.33)	15.80	10.25	(7.81)	18.80
Other Income	5.02	17.52	14.00	13.57	3.97
<b>Total</b>	<b>265.11</b>	<b>460.76</b>	<b>620.72</b>	<b>812.76</b>	<b>1,094.46</b>
<b>EXPENDITURE</b>					
Operating Costs	144.48	285.91	428.96	516.82	663.64
Employees Costs	21.05	31.20	30.97	43.26	37.90
Administration & Other Expenses	20.19	29.40	23.29	28.93	31.82
<b>Total</b>	<b>185.72</b>	<b>346.52</b>	<b>483.22</b>	<b>589.01</b>	<b>733.36</b>
Operating Profit before Finance Cost, Amortisation cost, Depreciation & Tax	79.39	114.24	137.50	223.75	361.11
Interest & Finance charges	25.17	38.38	45.42	93.03	117.02
Depreciation	26.69	26.01	35.69	53.47	59.75
Preliminary Expenses written off	0.02	0.04	0.04	0.03	0.10
Net Profit before tax	27.53	49.82	56.36	77.22	184.25
Provision for Taxation					
Current Tax	3.42	4.27	10.59	12.48	26.33
Deferred Tax	-	12.66	12.67	14.79	2.27
Net Profit After Tax	24.11	32.89	33.10	49.95	155.65
Add : Balance of Profit brought Forward	111.03	110.23	105.00	108.10	114.14
Net Profit available for appropriation	135.14	143.11	138.10	158.04	269.79
Appropriation as under :					
General Reserve	22.50	35.00	30.00	40.00	100.00
Proposed dividend	2.42	2.76	-	3.43	8.85
Income tax on dividend	-	0.35	-	0.48	1.24
Balance carried to Balance sheet	110.23	105.00	108.10	114.14	159.69
<b>Total</b>	<b>135.14</b>	<b>143.11</b>	<b>138.10</b>	<b>158.04</b>	<b>269.79</b>

The accompanying Significant Accounting Policies and Notes on Accounts (Annexure III) are an integral part of these statements.



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**ANNEXURE II**

**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

The assets and liabilities of the company as at 31/03/2002 to 31/03/2006 read together with significant accounting policies after making adjustments as stated in the notes to accounts are set out below: **(Rupees in million)**

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
<b>FIXED ASSETS :</b>					
Gross Block	380.09	620.94	690.73	880.87	901.16
Less : Depreciation	107.13	134.75	171.66	217.49	279.27
Net Block	272.96	486.19	519.07	663.38	621.88
Capital Work in Progress	149.97	226.66	583.05	775.04	896.51
Less : Revaluation Reserve	36.58	103.44	102.25	101.07	99.88
Net Block (after adjustment for Revaluation Reserve) - (A)	386.34	609.41	999.87	1,337.36	1,418.51
Investments -(B)	2.44	9.16	4.28	87.54	103.18
<b>Current Assets, Loans and Advances :</b>					
<b>i) Current Assets</b>					
<b>Inventories</b>					
- Raw Materials	18.91	31.88	36.61	45.14	63.94
- Work-in-Progress	7.16	10.82	16.34	-	-
- Uunsold Units (Real Estate Div.)	0.84	-	-	-	-
Unbilled expenditure on contract (including estimated profit)	-	-	-	19.81	400.90
Sundry Debtors	298.81	298.63	255.06	515.08	662.52
Cash and Bank balances	35.09	67.62	67.05	64.86	63.55
Interest Accrued	3.10	5.21	3.59	1.06	1.25
<b>ii) Loans and Advances</b>	165.48	165.91	125.65	132.07	104.57
<b>Total - (C)</b>	529.38	580.06	504.29	778.02	1,296.73
<b>Total Assets (D) = (A) + (B) + (C)</b>	918.17	1,198.63	1,508.44	2,202.92	2,818.43
<b>Liabilities &amp; Provisions :</b>					
Secured Loans	281.99	500.45	767.19	1,137.73	1,230.59
Unsecured Loans	204.59	248.27	189.57	282.47	333.77
Deferred Tax Liability	-	45.04	57.70	72.49	74.76
Current Liabilities and Provisions	242.16	211.32	254.09	356.31	521.54
<b>Total Liabilities (E)</b>	728.74	1,005.08	1,268.55	1,849.00	2,160.66
<b>Networth (D) - (E)</b>	189.43	193.55	239.89	353.92	657.78
<b>Networth Represented by</b>					
1. Share Capital	48.30	55.23	68.44	96.40	145.00
2. Reserves & Surplus	177.85	242.10	274.01	358.86	618.24
Less : Revaluation Reserve	36.58	103.44	102.25	101.07	99.88
3.Reserves (net of Revaluation Reserve)	141.26	138.66	171.76	257.80	518.36
4.Misc Expd. (to the extent not written off)	0.14	0.35	0.31	0.28	5.58
<b>Total (1) + (3) - (4)</b>	189.43	193.55	239.89	353.92	657.78

The accompanying Significant Accounting Policies and Notes on Accounts (Annexure III) are an integral part of these statements.

**ANNEXURE III****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS:****I. BACKGROUND**

Atlanta Limited, (the Company) formerly known as Atlanta Infrastructure Limited, was incorporated on 17th January, 1984. The company is engaged in the business of development of real estate and infrastructure projects like roads and bridges, etc for Central / State Governments and other local bodies and other private bodies. In the past, the company has completed many construction projects awarded by Public Works Department (PWD), Airport Authority of India (AAI), Municipal Corporations, Military Engineering Services (MES), etc. Currently, the company is carrying on road construction and development of infrastructure projects at Orissa (NHAI), Lucknow (NHAI and PWD), Mumbai (MMRDA), Udaipur (PWD), Mumbra - Thane (PWD).

**II. SIGNIFICANT ACCOUNTING POLICIES**

The Significant Accounting Policies adopted by the company in respect of these financial statements are set out below:

**1. Accounting Convention**

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies' Act, 1956 on an accrual basis of accounting.

**2. Fixed Assets and Depreciation**

- i) All fixed assets are stated at cost less accumulated depreciation thereon. The cost comprises the purchase price and attributable cost of bringing the asset to its working condition for its intended use. Revalued assets are stated at the revalued amount.
- ii) Depreciation is provided on straight line method at the rates and method specified in Schedule XIV of the Companies Act 1956. Depreciation on the revalued component of the asset has been charged in the similar manner over the residual life of the assets and withdrawn from the revaluation reserve.

**3. Investments**

All long-term investments are stated at cost.

**4. Inventories**

- a) Construction Materials are valued and stated at lower of cost or net realizable value.
- b) Work in progress ( i.e. unbilled contract expenditure ) on the construction contracts reflects value of material input and expenses incurred on the contracts including the estimated profits thereon after adjusting progress billing in the manner provided under Accounting standard AS-7 (revised) on construction Contracts.

**5. Revenue Recognition**

The company follows the mercantile system of accounting and recognizes revenue / income, cost / expenditure on accrual basis except in the case of significant uncertainties. The principles of revenue recognition are given below:

- i) Income from Projects under Long Term Contracts is recognized on the Percentage of completion basis in the manner specified under Accounting Standard - AS7 (Revised) on Construction Contracts. As the long term contracts necessarily extend beyond one year, revision in the costs and revenues estimated during the cost of contract are reflected in the accounting period in which the facts requiring revision become known.
- ii) Additional claim including escalations, which in the opinion of the management, are recoverable on the contract are recognized at the time of evaluating the job.
- iii) The determination of revenue under the Percentage of Completion Method necessarily involves making estimates by the company which are of technical nature concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the projects and the losses, if any, to completion. Such estimates, made by the company, have been relied upon by the Auditors as these are of technical nature.

**6. Turnover**

The turnover from the construction and project related activity, is recognized by applying Percentage of Completion method to the total contract cost, along with an estimated profit thereon. The percentage of completion is determined by applying the proportion of the cost incurred to date to the total estimated project cost.



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### 7. Retirement Benefits

Retirement benefits viz. Provident Fund and gratuities are accounted on accrual basis. Contribution to Provident Fund are made at predetermined rates to the appropriate authority and charged to Profit & Loss Account. Provision for incremental gratuity liability is made on the basis of estimated valuation. No provision has been made in respect of Leave Encashment, as the employees of the company are required to utilize their entitlement of earned leave before the end of the financial year.

### 8. Taxes on Income

Income tax expenses for the period comprises of current tax and deferred tax is included in determining the Net profit / (Loss) for the period.

Current Tax provision has been determined on the basis of reliefs, deductions, etc. available under the Income Tax Act.

Deferred Tax is recognized for all timing differences between taxable income and the accounting income, which originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws enacted or substantively enacted as of the Balance Sheet date.

### 9. Miscellaneous Expenditures (to the extent not written off)

Miscellaneous expenditure is written off to profit and loss account to the extent of 10% of the balance appearing in the books.

## III. NOTES TO ACCOUNTS

1. 7 year National Saving Certificates and Kisan Vikas Patra of the face value of Rs. 8,35,200/- (Previous year Rs. 8,35,200/-) have been lodged as security with Municipal Corporation, Mumbai.
2. In the opinion of the Board of Directors, the current assets, Loans and Advances and Current Liabilities are approximately stated if realized in the ordinary course of business. As no confirmatory letters were obtained from debtors and creditors, their balances are reflected in the Balance sheet as appearing in the books. The provisions for all other liabilities is adequate and not in excess of the amount reasonably necessary.
3. Issued and Paid-up Share Capital includes:
  - i) 980 equity shares of Rs.100/- each which were allotted for consideration other than in cash pursuant to a contract.
  - ii) 52,531 Equity shares of Rs.100/- each were allotted as fully paid up bonus shares during the year 1990-91 and 2,24,350 Equity shares of Rs.100/- each were allotted as fully paid up bonus shares during the year 2000-01 (aggregating to 2,76,881 equity shares of Rs.100/- each) by capitalization of reserves which were subsequently sub-divided into 27,68,810 equity shares of Rs.10/- each.
4. 25,00,000 25% Non-Cumulative Redeemable Preference shares of Rs.10/- issued at a premium of Rs.40/- each are redeemable at Rs.50/- per share after 15 years or at any time at the sole discretion of the Company in terms of Agreement with the Preference shareholders.
5. Amount paid as Compensation for short-term loans availed by the company are treated as discounting charges by the company and has been merged with interest and Bank charges.
6. The balance of debtors, creditors and loans and advances are subject to confirmation.
7.
  - i) Term Loan from Banks are secured by hypothecation of machinery purchased and secured by pari pasu first mortgage and charge of various assets of the company (other than those specifically hypothecated), and also by an assignment of all rights, titles and interest in Mumbra project and also guaranteed by Directors.
  - ii) Working Capital borrowing including buyer credit facility, from banks are secured by hypothecation of all encumbered movable assets, other than those specifically charged, office premises of the company along with furniture and fixtures, hypothecation of stock of raw materials, stores and spares, book-debts both present and future and also guaranteed by Directors.
  - iii) Hire Purchase credit from various financial institutions/banks is secured against hypothecation of the respective asset.



8. The company had based on valuation made by approved valuers revalued some of its fixed assets in the various accounting years. The resultant appreciation aggregated to Rs. 10,80,37,535/- has been added to the Gross Block of the Fixed Assets and credited to the Revaluation Reserve as per details given below:

(In Rs.)

Year Ended	Particulars of Fixed Assets	Original Cost	Revalued Cost	Difference added to Fixed Assets
31/03/2000	Office Premises	53,92,627	2,82,00,000	2,28,07,373
31/03/2000	Plant & Machinery	3,16,400	1,75,00,000	1,71,83,600
31/03/2002	Plot of Land	64,50,000	7,44,96,562	6,80,46,562
<b>Total</b>		<b>1,21,59,027</b>	<b>12,01,96,562</b>	<b>10,80,37,535</b>

Consequent to revaluation, the appreciated proportion of Fixed Assets has been depreciated at the rates applicable to the respective assets under the straight-line method of depreciation

9. The Company has been advised by a senior counsel that, the profit arising out of infrastructure projects undertaken by the Company is eligible for deduction U/s. 80-IA of the Income Tax Act, 1961, in view of the decision of Income Tax Appellate Tribunal of Mumbai. Accordingly for the year ending 31.03.2006, the Company has made provision for Income Tax, considering profits from infrastructure projects as exempt from Income Tax. The Income Tax provisions already made in the earlier years will be reviewed in the future years based on the revised claims to be filed.
10. The contract of widening and strengthening of existing 2 lane Road (NH24A - Lucknow Bypass to 4 lane connecting NH - 24 and NH - 28 around Lucknow City awarded by PWD Lucknow got terminated by the said contracting authority. The company referred the dispute to the Dispute Review Expert (DRE) who vide his order dated 14th April, 2006 awarded the compensation for the loss of overheads to the company to the extent of Rs.750.00 lakhs. The accounts for the year ended 31st March, 2006 includes the following on account of the project:

Turnover	Rs 1179.57 lakhs
Receivable	Rs 989.50 lakhs
Retention amount	Rs 166.82 lakhs

The company has not made any provision in the accounts for any possible loss / claim that may arise on account of termination of the contract in view of the award received in their favour from DRE.

11. Non adjustment / regroupings

a) Impact of changes in method of recognition of Contract Revenue

Revenue from the construction contract up to Accounting Year ended 31st March, 2004 is recognized on percentage completion basis which is determined by the proportion of progressive billing to the contract value. With effect from Accounting Year ended on 31st March, 2005, the company has implemented the Accounting Standard AS - 7 (Revised) on "Construction Contracts" and accordingly, the contract revenue in respect of all long term contracts is recognized on percentage completion basis and that is determined as a proportion of the cost incurred to date to the total estimated contract cost and margin of profit thereon. The effect due to change in the accounting policy in accounting the contract revenue in the earlier years is not quantifiable.

b) Impact of changes in Valuation of Work in Progress

The Company has during the Accounting Year ended 31st March, 2005 as changed the policy to value its Work In Progress at cost including estimated profit thereon as against the previous practice of valuing the Work In Progress at an average of 10 days of contract revenue of the year. The effect on account of this change is not quantifiable.



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12. Disclosure in accordance with Accounting Standard AS-7 (Revised) in respect of contracts entered into by the company:

(Rs. in Lakhs)

	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
Turnover	8966.87	6716.21
Expenditure	7021.38	4475.52
Profit/(Loss) recognized	1945.49	240.69
Advances received	2966.44	3568.75
Gross Amount due from customers for contract work	4048.36	2949.38

13. Income-tax assessments have been completed up to assessment year 2003-2004 (31st March, 2003)

14. Details of Joint Ventures:

As per Accounting Standard -27 “ Financial reporting of Interest in Joint Venture” issued by The Institute of Chartered Accountants of India, the Details of Joint Ventures entered into by the Company are as follows

<b>Sr. No.</b>	<b>Name of The Joint Venture</b>	<b>Description of Interest</b>	<b>% of Investment</b>
1	Prakash Atlanta JV	Joint Controlled Operation	50%
2	Gammon Atlanta JV	Joint Controlled Operation	50%

15. Details of Investment in Partnership firm:

The Company is a partner in a partnership firm, the details of which are given below:

Name of the firm : M/s AAP Construction Co.

Particulars of other partners

<b>Name of the Partners</b>	<b>Profit Sharing Ratio</b>	<b>Loss Sharing Ratio</b>
1) Atlanta Infrastructure Ltd	12.50%	25%
2) PBA Infrastructure Ltd	12.50%	25%
3) Ameya Developers Pvt.Ltd	75.00%	50%

16. There was no impairment Loss on fixed assets on the basis of review carried out by the Management in accordance with the Accounting Standard - 28 “Impairment of Assets” issued by the Institute of Chartered Accountants of India.

17. Based on the information available with the company and as certified by the Management, there were no dues outstanding as at 31st March, 2006 to Small Scale Industrial Undertaking exceeding Rs.1.00 lakh each outstanding for more than 30 days.

18. Segment Information

As the company’s business activities falls within a single primary business segment viz. construction and related activities, and it operates in a single geographical segment i.e. India, the disclosure requirements of Accounting Standard (AS-17) “Segment Reporting” issued by the Institute of Chartered Accountants of India are not applicable.

19. Earnings Per Share:

	31/03/2006	31/03/2005
a) Calculation of Weighted average number of equity shares		
Face Value of the shares	Rs.10/-	Rs.10/-
No. of equity shares	12,000,000	8,640,100
Weighted Average No. of equity shares	10,202,735	6,190,480
b) Net profit for the year attributable to the equity share holders	151,899,742	49,945,196
c) Basic and diluted earnings per share (Annualized)	14.89	8.07

20. Previous year’s figures have been regrouped and rearranged whenever necessary



**ANNEXURE III-a**

**STATEMENT OF MANAGERIAL REMUNERATION PAID TO DIRECTORS**

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
i) Remuneration	0.96	0.96	1.33	1.39	1.83
ii) Contribution to Provident Fund	0.12	0.12	0.09	0.03	0.03
<b>Total</b>	<b>1.08</b>	<b>1.08</b>	<b>1.43</b>	<b>1.42</b>	<b>1.86</b>

(Rs. in million)

**ANNEXURE III-b**

**STATEMENT OF DEFERRED TAX LIABILITY**

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
I Deferred Tax Liabilities on account of timing difference in depreciation	-	45.49	58.18	73.07	75.40
II Deferred Tax Assets on account of disallowance of gratuity and others	-	0.45	0.48	0.58	0.64
Net Deferred Tax Liability	-	45.04	57.70	72.49	74.76

Note : In terms of Accounting Standard - 22 (Accounting for Taxes on Income), the company has recognised Deferred Tax during the year ended 31.3.2003, 31.3.2004, 31.3.2005 and 31.3.2006.

(Rs. in million)

**ANNEXURE III-c**

**STATEMENT OF PAYMENT TO AUDITORS**

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
Audit Fees	0.16	0.17	0.19	0.19	0.20
Tax Audit Fees	0.05	0.05	0.08	0.08	0.09
Taxation Matters	0.05	0.05	0.08	0.08	0.09
Other Services	-	-	-	-	0.28
<b>Total</b>	<b>0.26</b>	<b>0.27</b>	<b>0.35</b>	<b>0.35</b>	<b>0.64</b>

(Rs. in million)

**ANNEXURE III-d**

**STATEMENT OF ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE IV OF THE COMPANIES ACT, 1956**

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
(A) Expenditure in Foreign Currencies					
- on capital goods	10.04	32.02	0.18	82.86	-
- on raw material	-	8.72	7.39	-	-
(B) Earnings in Foreign Currencies	-	-	-	-	-



**ANNEXURE IV  
STATEMENT OF CASH FLOW, AS RESTATED**

<b>PARTICULARS</b>	<b>Year Ended 31/03/2002</b>	<b>Year Ended 31/03/2003</b>	<b>Year Ended 31/03/2004</b>	<b>Year Ended 31/03/2005</b>	<b>Year Ended 31/03/2006</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit before Tax	27.53	49.82	56.36	77.22	184.25
Adjustment for :					
Depreciation	26.69	26.01	35.69	53.47	59.75
Interest Expenses	25.17	38.38	45.42	93.03	117.02
Dividend Income	(0.02)	(0.02)	(0.05)	(0.04)	(0.01)
Interest Income	(2.88)	(5.37)	(5.64)	(1.59)	(1.89)
Deferred Revenue Expenses Charged	0.02	0.04	0.04	0.03	0.10
Profit / Loss on sale of Assets/Investment (Net)	-	0.50	1.44	2.22	-
Profit / Loss from Joint Venture Business	0.05	0.01	(0.80)	(0.25)	-
Provision for Gratuity	0.06	0.81	0.08	0.21	0.17
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>76.61</b>	<b>110.16</b>	<b>132.53</b>	<b>224.30</b>	<b>359.39</b>
Adjustment for :					
Trade and Other Receivables	(9.75)	0.18	43.57	(260.03)	(147.44)
Inventories	1.33	(15.80)	(10.25)	(12.00)	(399.89)
Trade and Other Payables	(18.76)	(21.67)	16.16	77.18	165.70
Other Current Assets	(31.34)	(19.94)	38.55	5.47	24.36
Other Current Liabilities	9.99	(6.22)	27.57	10.20	(22.27)
Preliminary Expenses incurred	-	(0.25)	-	-	(5.40)
Increase in Joint Venture Capital	(0.73)	(6.83)	5.98	(83.15)	(8.14)
Gratuity Payments	-	(0.08)	-	(0.02)	-
<b>CASH GENERATED FROM OPERATIONS</b>	<b>27.35</b>	<b>39.55</b>	<b>254.11</b>	<b>(38.04)</b>	<b>(33.70)</b>
Income Tax Paid net of Refund	(11.34)	3.32	(8.32)	(10.00)	(8.45)
<b>CASH FROM OPERATING ACTIVITIES</b>	<b>16.01</b>	<b>42.87</b>	<b>245.79</b>	<b>(48.04)</b>	<b>(42.15)</b>
<b>B. CASH FROM FINANCING ACTIVITIES</b>					
Proceeds from Equity Share Capital	2.30	6.93	13.21	16.86	88.60
Proceeds from Preference Shares Issue	-	-	-	50.00	75.00
Proceeds from Long Term Borrowings (Banks & Financial Institutions)(Net of Payments)	87.35	88.93	255.71	260.70	232.58
Proceeds from Long Term Borrowings (Contracting Authorities)(Net of Payments)	35.20	43.68	(58.70)	31.76	27.22
Proceeds from Long Term Borrowings (Hire Purchase Credit)(Net)	44.91	129.53	7.68	109.84	(139.72)
Proceeds from Short Term Borrowings (Net)	0.50	-	-	61.14	24.08
Dividend Paid	(2.30)	(2.42)	-	-	(3.43)
Interest Expenses (Net)	(25.17)	(38.38)	(42.07)	(93.03)	(117.02)
<b>NET CASH USED IN FINANCIAL ACTIVITIES</b>	<b>142.80</b>	<b>228.28</b>	<b>175.83</b>	<b>437.27</b>	<b>187.32</b>
<b>C. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets / Capital Work in Progress	(175.19)	(245.48)	(429.05)	(397.34)	(140.90)
Sale proceed of Assets/Investments	-	2.31	1.46	4.29	-
Purchase of Investments	(0.99)	(0.85)	(0.30)	-	(7.48)
Dividend Income	0.02	0.02	0.05	0.04	0.01
Interest Income	2.88	5.37	5.64	1.59	1.89
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(173.29)</b>	<b>(238.62)</b>	<b>(422.19)</b>	<b>(391.42)</b>	<b>(146.48)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	(14.48)	32.53	(0.57)	(2.19)	(1.31)
Cash & Cash Equivalents at start of the year	49.57	35.09	67.62	67.05	64.86
Cash & Cash Equivalents at close of the year	35.09	67.62	67.05	64.86	63.54





**ANNEXURE V**

**STATEMENT OF SUNDRY DEBTORS**

(Rs. in million)

<b>PARTICULARS</b>	<b>Year Ended 31/03/2002</b>	<b>Year Ended 31/03/2003</b>	<b>Year Ended 31/03/2004</b>	<b>Year Ended 31/03/2005</b>	<b>Year Ended 31/03/2006</b>
<b>SUNDRY DEBTORS</b>					
(Unsecured, Considered Good)					
Exceeding six months	-	233.29	216.80	216.80	216.80
Other Debts	298.81	65.34	38.26	298.28	445.72
<b>Total</b>	<b>298.81</b>	<b>298.63</b>	<b>255.06</b>	<b>515.08</b>	<b>662.52</b>

SUNDRY DEBTORS - Dues receivable from related parties

(Rs. in million)

<b>PARTICULARS</b>	<b>Year Ended 31/03/2002</b>	<b>Year Ended 31/03/2003</b>	<b>Year Ended 31/03/2004</b>	<b>Year Ended 31/03/2005</b>	<b>Year Ended 31/03/2006</b>
(A) Outstanding for a period exceeding six months					
Ideal Toll Road Invest. & Operations Pvt. Ltd.	21.28	-	-	-	-
Prakash Atlanta Joint Venture (NHAI)	-	-	-	-	-
Gammon Atlanta Joint Venture (NHAI)	-	-	-	-	-
<b>Total</b>	<b>21.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(A) Outstanding for a period not exceeding six months					
Ideal Toll Road Invest. & Operations Pvt. Ltd.	-	-	-	-	-
Prakash Atlanta Joint Venture (NHAI)	15.33	-	2.38	2.67	3.97
AAP Construction Company	-	-	-	5.63	5.63
Gammon Atlanta Joint Venture (NHAI)	19.25	33.60	17.14	216.60	233.24
<b>Total</b>	<b>34.57</b>	<b>33.60</b>	<b>19.52</b>	<b>224.89</b>	<b>242.84</b>

**ANNEXURE VI**

**STATEMENT SHOWING DETAILS OF LOANS & ADVANCES**

(Rs. in million)

<b>PARTICULARS</b>	<b>Year Ended 31/03/2002</b>	<b>Year Ended 31/03/2003</b>	<b>Year Ended 31/03/2004</b>	<b>Year Ended 31/03/2005</b>	<b>Year Ended 31/03/2006</b>
<b>LOANS &amp; ADVANCES</b>					
(Unsecured, Considered good)					
Advances recoverable in cash or kind for value to be received	72.74	71.66	44.69	13.38	11.80
Deposit and retention money	58.77	73.96	64.34	92.24	69.90
Income-tax Payments	31.44	18.93	15.61	24.97	22.02
Prepaid Expenses	1.79	0.57	0.21	0.68	0.85
Other Advances	0.75	0.79	0.80	0.80	-
<b>Total</b>	<b>165.48</b>	<b>165.91</b>	<b>125.65</b>	<b>132.07</b>	<b>104.57</b>



**ATLANTA LIMITED**

Details of Advances to Related Parties

(Rs. in million)

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
Advances recoverable in cash or kind for value to be received					
Atulraj Builders Pvt. Ltd.	2.59	2.69	2.69	-	-
Ambalal P. Barot	0.22	0.02	0.02	0.02	0.02
Bharat Construction	0.22	0.02	0.02	0.02	0.02
Rajendra A. Barot (HUF)	1.13	0.02	0.02	-	-
Balaji Tollways Pvt. Ltd.	-	-	-	-	0.03
Shrikant Studios Pvt. Ltd.	0.25	0.25	0.25	0.25	0.25
<b>Total</b>	<b>4.42</b>	<b>3.00</b>	<b>3.00</b>	<b>0.29</b>	<b>0.32</b>

**ANNEXURE VII**

**STATEMENT OF SECURED LOANS**

(Rs. in million)

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
Term Loan from Banks & Financial Institutions	140.01	208.60	437.15	527.28	591.26
Working Capital Facility from Banks	30.85	51.20	81.70	252.28	420.88
Deferred Payment Credits	111.13	240.65	248.34	358.17	218.46
<b>Total</b>	<b>281.99</b>	<b>500.45</b>	<b>767.19</b>	<b>1,137.73</b>	<b>1,230.59</b>

**DETAILS OF SECURED LOANS**

**1. STATE BANK OF INDIA**

(Rs in Million)

Sr No	Particulars of Loan	Sanctioned Amount	Amount Outstanding	Rate of Interest (%)	Re-Payment Terms	Security Offered
1	a) Cash Credit Limit b) Stand By Line of Credit	90 50	90.85 50.54	11% 12%	Annually Renewed 60 days from date of availment	<u>Primary Security</u> (On Pari Pasu basis with other Working Capital Bankers) Hypothecation Entire current assets of the company, present and future. <u>Collateral Security</u>
2	Bank Guarantee Limits	400	208.45	1%+ Service Tax	On demand or Expiry	(On Pari Pasu basis with other Working Capital Bankers)
3	Letter of Credit Limit	(50)	(19.55)	As per U s a n c e period	As per U s a n c e period	Entire unencumbered moveable assets other than those specifically charged to the equipment financiers First and second floor of office premises (along with furniture/ fixtures) of the company situated at Shree Amba Shanti Chambers, Andheri Kurla Road, Mumbai 400059. Plot of land admeasuring 31,156 Sq.Mts. situated at village Shil, Taluka and District-Thane and office building, labour sheds built thereon.



Sr No	Particulars of Loan	Sanctioned Amount	Amount Outstanding	Rate of Interest ( %)	Re-Payment Terms	Security Offered
4	Mumbra Term Loan	175	172.49	12.75%	Repayment in 57 nos. of instalments starting from 1st April 2006.	<p><u>Primary Security</u> (On Pari Pasu basis with other Term Loan Bankers) Mumbra Bypass BOT project documents such as Trust &amp; Retention (TRA) account agreement, concession agreement, etc. Plot of Land (Adm. 1.92 hectares) at survey no.46 Mowa, Mohadi Taluka and District Jalgaon, Maharashtra. Entire Moveable/Non-moveable assets of the company, both present &amp; future. To the extent not charged to working capital lenders.</p> <p><u>Collateral Security</u> (On Pari Pasu basis with other Mumbra Term loan Bankers) Equity shares/preference shares held by promoter directors.(Face Value Rs 250 lacs)</p>

## 2. BANK OF INDIA

(Rs in Million)

Sr No	Particulars of Loan	Sanctioned Amount	Amount Outstanding	Rate of Interest ( %)	Re-Payment Terms	Security Offered
1	Cash Credit Limit	55	50.85	11%	Annually Renewed	<p><u>Primary Security</u> (On Pari Pasu basis with other Working Capital Bankers) Hypothecation Entire current assets of the company, present and future.</p> <p><u>Collateral Security</u></p>
2	Bank Guarantee Limits	350	133.38	1%+ Service Tax	On demand or Expiry	<p>(On Pari Pasu basis with other Working Capital Bankers) Entire unencumbered moveable assets other than those specifically charged to the equipment financiers</p>
3	Letter of Credit Limit	(40)	(19.30)	As per Usance period	As per Usance period	<p>First and second floor of office premises (along with furniture/ fixtures) of the company situated at Shree Amba Shanti Chambers, Andheri Kurla Road, Mumbai 400059. Plot of land admeasuring 31,156 Sq.Mts. situated at village Shil, Taluka and District-Thane and office building, labour sheds built thereon.</p>
4	Buyers Credit	(50)	(49.81)	8.75%	180 days	Extension of security for working capital limits



3. PUNJAB NATIONAL INDIA

(Rs in Million)

Sr No	Particulars of Loan	Sanctioned Amount	Amount Outstanding	Rate of Interest ( %)	Re-Payment Terms	Security Offered
1	Cash Credit Limit	50	70.72	11.25%	Annually Renewed	<p><u>Primary Security</u> (On Pari Pasu basis with other Working Capital Bankers) Hypothecation Entire current assets of the company, present and future.</p> <p><u>Collateral Security</u> (On Pari Pasu basis with other Working Capital Bankers) Entire unencumbered moveable assets other than those specifically charged to the equipment financiers.(wdv Rs 702 lacs)</p> <p>First and second floor of office premises (along with furniture/ fixtures) of M/s Atlanta Ltd. at Shree Amba Shanti Chambers, ,suey no.143, Hissa no.6 (part),9 (part), 10 and 13 (part), Andheri Kurla Road, Mumbai-400 059. 31,156 Sq.Mts.i.e. 7 acres and 28 gunthas bearing Survey no.67 (Hissa no.2, 3A,3B) of village Shil, Taluka and District-Thane and office building, labour sheds built thereon.</p>
2	Bank Guarantee Limits	280	172.73	1%+ Service Tax	On demand or Expiry	<p>(On Pari Pasu basis with other Working Capital Bankers) Entire unencumbered moveable assets other than those specifically charged to the equipment financiers.(wdv Rs 702 lacs)</p> <p>First and second floor of office premises (along with furniture/ fixtures) of M/s Atlanta Ltd. at Shree Amba Shanti Chambers, ,suey no.143, Hissa no.6 (part),9 (part), 10 and 13 (part), Andheri Kurla Road, Mumbai-400 059. 31,156 Sq.Mts.i.e. 7 acres and 28 gunthas bearing Survey no.67 (Hissa no.2, 3A,3B) of village Shil, Taluka and District-Thane and office building, labour sheds built thereon.</p>
3	Letter of Credit Limit	(30)	-----	As per Usance period	As per Usance period	<p>(along with furniture/ fixtures) of M/s Atlanta Ltd. at Shree Amba Shanti Chambers, ,suey no.143, Hissa no.6 (part),9 (part), 10 and 13 (part), Andheri Kurla Road, Mumbai-400 059. 31,156 Sq.Mts.i.e. 7 acres and 28 gunthas bearing Survey no.67 (Hissa no.2, 3A,3B) of village Shil, Taluka and District-Thane and office building, labour sheds built thereon.</p>

4. UTI BANK

(Rs in Million)

Sr No	Particulars of Loan	Sanctioned Amount	Amount Outstanding	Rate of Interest ( %)	Re-Payment Terms	Security Offered
1	Cash Credit Limit	40	40.47	11%	Annually Renewed	<p><u>Primary Security</u> (On Pari Pasu basis with other Working Capital Bankers) Hypothecation Entire current assets of the company, present and future.</p> <p><u>Collateral Security</u> (On Pari Pasu basis with other Working Capital Bankers) Entire unencumbered moveable assets other than those specifically charged to the equipment financiers.(wdv Rs 702 lacs)</p> <p>First and second floor of office premises (along with furniture/ fixtures) of M/s Atlanta Ltd. at Shree Amba Shanti Chambers, suey no.143, Hissa no.6 (part), 9 (part), 10 and 13 (part), Andheri Kurla Road, Mumbai-400 059. 31,156 Sq.Mts.i.e. 7 acres and 28 gunthas bearing Survey no.67 (Hissa no.2, 3A, 3B) of village Shil, Taluka and District-Thane and office building, labour sheds built thereon.</p>



Sr No	Particulars of Loan	Sanctioned Amount	Amount Outstanding	Rate of Interest ( %)	Re-Payment Terms	Security Offered
2	Bank Guarantee Limits	170	88.66	1.50% for Financial Bank Guarantee & 1 % for other Bank Guarantee	On demand or Expiry	Same as 1. above
3	Letter of Credit	(20)	-----	As per Usance period	As per U s a n c e period	Same as 1. above
4	Line of Credit	(10)	(8.80)	9.50%	12 months moratorium and then 24 EMIs	Hypothecation of asset funded
5	Mumbra Term Loan-1	88.05	82.93	13.00%	Repayment in 57 nos. of instalments starting from 1st April 2006.	<p>Primary Security (On Pari Pasu basis with other Term Loan Bankers) Mumbra Bypass BOT project documents such as Trust &amp; Retention (TRA) account agreement, concession agreement, etc. Plot of Land (Adm. 1.92 hectares) at survey no.46 Mowa, Mohadi Taluka and District Jalgaon, Maharashtra. Entire current assets of the company, present &amp; future. Collectral Security (On Pari Pasu basis with other Mumbra Term loan Bankers) Equity shares/preference shares held by promoter directors.(Face Value Rs 250 lacs) Entire current assets of the company, present &amp; future</p>
6	Mumbra Term Loan-2	125	126.35	12.00%		



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5. STATE BANK OF PATIALA

(Rs in Million)

Sr No	Particulars of Loan	Sanctioned Amount	Amount Outstanding	Rate of Interest ( %)	Re-Payment Terms	Security Offered
1	Cash Credit Limit	20	20.19	11%	Annually Renewed	<p><u>Primary Security</u> (On Pari Pasu basis with other Working Capital Bankers) Hypothecation Entire current assets of the company, present and future.</p> <p><u>Collateral Security</u> (On Pari Pasu basis with other Working Capital Bankers)</p>
2	Bank Guarantee Limits	150	112	1%+ Service Tax	On demand or Expiry	<p>Entire unencumbered moveable assets other than those specifically charged to the equipment financiers.(wdv Rs 702 lacs)</p> <p>First and second floor of office premises (along with furniture/fixtures) of M/s .Atlanta Ltd. at Shree Amba Shanti Chambers, ,suey no.143, Hissa no.6 (part),9 (part), 10 and 13 (part), Andheri Kurla Road, Mumbai-400 059. 31,156 Sq.Mts.i.e. 7 acres and 28 gunthas bearing Survey no.67 (Hissa no.2, 3A,3B) of village Shil, Taluka and District-Thane and office building, labour sheds built thereon.</p>
3	Letter of Credit Limited	(30)	(3.66)	As per Usance period	As per Usance period	
4	Mumbra Term Loan	70	70.76	12.75%	Repayment in 57 nos. of instalments starting from 1st April 2006.	<p><u>Primary Security</u> (On Pari Pasu basis with other Term Loan Bankers)</p> <p>Mumbra Bypass BOT project documents such as Trust &amp; Retention (TRA) account agreement, concession agreement, etc.</p> <p>Plot of Land (Adm. 1.92 hectares) at survey no.46 Mowa, Mohadi Taluka and District Jalgaon, Maharashtra.</p> <p>Entire current assets of the company, present &amp; future.</p> <p><u>Collateral Security</u> (On Pari Pasu basis with other Mumbra Term loan Bankers)</p> <p>Equity shares/preference shares held by promoter directors.(Face Value Rs 250 lacs)</p> <p>Entire current assets of the company, present &amp; future</p>



6. STATE BANK OF HYDERABAD

(Rs in Million)

Sr No	Particulars of Loan	Sanctioned Amount	Amount Outstanding	Rate of Interest ( %)	Re-Payment Terms	Security Offered
1	Cash Credit Limit	15	14.96	11%	Annually Renewed	<p><u>Primary Security</u> (On Pari Pasu basis with other Working Capital Bankers) Hypothecation Entire current assets of the company, present and future.</p> <p><u>Collectral Security</u> (On Pari Pasu basis with other Working Capital Bankers)</p>
2	Bank Guarantee Limits	150	34.07	1%+ Service Tax	On demand or Expiry	<p>Entire unencumbered moveable assets other than those specifically charged to the equipment financiers.(wdv Rs 702 lacs)</p> <p>First and second floor of office premises (along with furniture/ fixtures) of M/s .Atlanta Ltd. at Shree Amba Shanti Chambers, ,suevy no.143, Hissa no.6 (part),9 (part), 10 and 13 (part), Andheri Kurla Road, Mumbai-400 059.</p>
3	Letter of Credit	(25)	-----	As per Usance period	As per Usance period	<p>31,156 Sq.Mts.i.e. 7 acres and 28 gunthas bearing Survey no.67 (Hissa no.2, 3A,3B) of village Shil, Taluka and District-Thane and office building, labour sheds built thereon.</p>
4	Mumbra Term Loan	69.25	69.18	12.75%	Repayment in 57 nos. of instalments starting from 1st April 2006.	<p><u>Primary Security</u> (On Pari Pasu basis with other Term Loan Bankers)</p> <p>Mumbra Bypass BOT project documents such as Trust &amp; Retention (TRA) account agreement, concession agreement, etc.</p> <p>Plot of Land (Adm. 1.92 hectares) at survey no.46 Mowa, Mohadi Taluka and District Jalgaon, Maharashtra.</p> <p>Entire current assets of the company, present &amp; future.</p> <p><u>Collectral Security</u> (On Pari Pasu basis with other Mumbra Term loan Bankers)</p> <p>Equity shares/preference shares held by promoter directors.(Face Value Rs 250 lacs)</p> <p>Entire current assets of the company, present &amp; future</p>



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7. CENTRAL BANK OF INDIA

(Rs in Million)

Sr No	Particulars of Loan	Sanctioned Amount	Amount Outstanding	Rate of Interest ( %)	Re-Payment Terms	Security Offered
1	Cash Credit Limit	10	10.10	11%	Annually Renewed	<u>Primary Security</u> (On Pari Pasu basis with other Working Capital Bankers) Hypothecation Entire current assets of the company, present and future. <u>Collateral Security</u>
2	Bank Guarantee Limits	200	----	1%+ Service Tax	On demand or Expiry	(On Pari Pasu basis with other Working Capital Bankers) Entire unencumbered moveable assets other than those specifically charged to the equipment financiers.(wdv Rs 702 lacs)
3	Letter of Credit	(30)	(29.44)	As per Usance period	As per Usance period	First and second floor of office premises (along with furniture/ fixtures) of M/s .Atlanta Ltd. at Shree Amba Shanti Chambers, ,survey no.143, Hissa no.6 (part),9 (part), 10 and 13 (part), Andheri Kurla Road, Mumbai-400 059. 31,156 Sq.Mts.i.e. 7 acres and 28 gunthas bearing Survey no.67 (Hissa no.2, 3A,3B) of village Shil, Taluka and District-Thane and office building, labour sheds built thereon.

8. STATE BANK OF INDORE

(Rs in Million)

Sr No	Particulars of Loan	Sanctioned Amount	Amount Outstanding	Rate of Interest ( %)	Re-Payment Terms	Security Offered
1	Mumbra Term Loan	69.10	69.55	12.75%	Repayment in 57 nos. of instalments starting from 1st April 2006.	<u>Primary Security</u> (On Pari Pasu basis with other Term Loan Bankers) Mumbra Bypass BOT project documents such as Trust & Retention (TRA) account agreement, concession agreement, etc. Plot of Land (Adm. 1.92 hectares) at survey no.46 Mowa, Mohadi Taluka and District Jalgaon, Maharashtra. Entire current assets of the company, present & future. <u>Collateral Security</u> (On Pari Pasu basis with other Mumbra Term loan Bankers) Equity shares/preference shares held by promoter directors.(Face Value Rs 250 lacs) Entire current assets of the company, present & future

Note: All above facilities are secured by personal guarantee of Mr.Rajhoo Bbarot and Mrs.Bhavna Bbarot.





**ANNEXURE VIII**

**STATEMENT OF UNSECURED LOANS**

(Rs. in million)

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
Fixed Deposit from Public	-	15.64	37.63	69.37	50.45
Inter Corporate Deposit	2.50	6.60	6.90	36.30	79.30
Mobilisation Advance (from Contracting Authorities)	202.09	226.03	145.04	176.80	204.01
<b>Total</b>	<b>204.59</b>	<b>248.27</b>	<b>189.57</b>	<b>282.47</b>	<b>333.77</b>

**ANNEXURE IX**

**STATEMENT OF CONTINGENT LIABILITY NOT PROVIDED FOR**

(Rs. in million)

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
Bank Guarantees & unexpired Letter of Credit issued in normal course of business	403.83	474.04	559.90	863.78	856.25
Disputed Income-tax liability	-	-	0.30	-	7.86
Disputed Works Contract tax liability	-	-	1.25	1.07	0.27
<b>Total</b>	<b>403.83</b>	<b>474.04</b>	<b>561.45</b>	<b>864.85</b>	<b>864.37</b>

**ANNEXURE X**

**STATEMENT OF OTHER INCOME**

(Rs. in million)

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
Profit Before Tax	27.53	49.82	56.36	77.22	184.25
20% of Profit Before Tax	5.51	9.96	11.27	15.44	36.85
Other Income during the year / period	5.02	17.52	14.00	13.57	3.96

**DETAILS OF OTHER INCOME**

(Rs. in million)

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
Interest on N.S.C., Indira Vikas					
Patra and Bank Deposits	2.88	5.37	5.64	1.59	1.89 *
Dividends	0.02	0.02	0.05	0.04	- **
Hiring Income	0.07	8.87	4.02	11.09	- *
Office Premises Rent (Ambashanti)	1.92	2.02	-	-	- *
Sale of Scrap	0.18	0.03	0.11	0.60	1.31 *
Profit on Sale of Assets	-	-	-	-	- **
Share of Profit/(Loss) from Joint Venture Business	(0.05)	(0.01)	0.80	0.25	- *
Sundry Balances Written Back	-	1.22	3.38	-	- **
Sales Tax Refund	-	-	-	-	0.76 **
<b>Total</b>	<b>5.02</b>	<b>17.52</b>	<b>14.00</b>	<b>13.57</b>	<b>3.96</b>

Note :

1. \* Represents Income of recurring nature
2. \*\* Represents Income of non-recurring nature



ANNEXURE XI

**STATEMENT OF ACCOUNTING RATIOS**

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
<b><u>EARNING PER SHARE (EPS)</u></b>					
<b><u>FACE VALUE PER SHARE (RS.)</u></b>	100.00	100.00	10.00	10.00	10.00
(A) Weighted average number of equity shares					
1. No. of Equity Shares at the beginning of the year.	460,000	483,020	5,523,200	5,523,200	8,640,100
2. No. of Equity Shares at the end of the year.	483,020	552,320	5,523,200	8,640,100	12,000,000
3. Weighted average number of equity shares outstanding during the year (on annualised basis)	461,766	496,684	5,523,200	6,190,480	10,202,735
(B) Net Profit after Tax available for Equity Shareholders (Rs. In Million)	24.11	32.89	33.10	49.95	151.90
(C) Basic and Diluted Earning Per Share (in Rs) (Annualised)	52.21	66.21	5.99	8.07	14.89

Note : The Company does not have any dilutive potential Equity Shares, consequently, the basic and diluted earning per share of the company remains the same.

<b><u>RETURN ON NET WORTH</u></b>					
Net Profit after Tax available for Equity Shreholders (Rs. In Million)	24.11	32.89	33.10	49.95	151.90
Net Worth (Rs. in Million) (B)	189.43	193.55	239.89	353.92	657.78
RETURN ON NET WORTH - %	12.73%	16.99%	13.80%	14.11%	23.66%
<b><u>NET ASSET VALUE PER SHARE</u></b>					
Total Assets (Rs. in Million) - (A)	918.17	1,198.63	1,508.44	2,202.92	2,818.43
Total Liabilities (Rs. in Million)	728.74	1,005.08	1,268.55	1,849.00	2,160.66
Add : Prefrence Share Capital (including premium payable on redumption)	-	-	-	50.00	125.00
<b>Total (B)</b>	<b>728.74</b>	<b>1,005.08</b>	<b>1,268.55</b>	<b>1,899.00</b>	<b>2,285.66</b>
Net Asset Value (C) = (A) - (B)	189.43	193.55	239.89	303.92	532.78
No. of shares of Rs.100/- each-(D)	460,000	483,020			
No. of shares of Rs.10/- each-(D)			5,523,200	8,640,100	12,000,000
Net Asset Value per share (Rs.) (C) / (D)	411.81	400.70	43.43	35.18	44.40

**DEFINITIONS**

EARNING PER SHARE (EPS)	=	NET PROFIT AFTER TAX (AFTER PREF. SHARE DIVIDEND)/ NUMBER OF PAIDUP SHARES
RETURN ON NET WORTH	=	NET PROFIT AFTER TAX (AFTER PREF. SHARE DIVIDEND) / NET WORTH
NET WORTH	=	SHARE CAPITAL + RESERVE AND SURPLUS (EXCLUDING REVALUATION RESERVE) - MISC. EXPD. (TO THE EXTENT NOT WRITTEN OFF)
NET ASSET VALUE	=	SHARE CAPITAL( )EXCLUDING PREFRENCE SHARE CAPITAL) + RESERVE AND SURPLUS (EXCLUDING REVALUATION RESERVE) - MISC. EXPD. (TO THE EXTENT NOT WRITTEN OFF)



**ANNEXURE XII**

**STATEMENT OF RATE OF DIVIDEND**

<b>PARTICULARS</b>	<b>Year Ended 31/03/2002</b>	<b>Year Ended 31/03/2003</b>	<b>Year Ended 31/03/2004</b>	<b>Year Ended 31/03/2005</b>	<b>Year Ended 31/03/2006</b>
I Paid up Equity Share Capital (Rs. in Million)	48.30	55.23	68.44	86.40	120.00
Face Value (Rs.)	100	100	10	10	10
Rate of dividend %	5%	5%	0%	5%	5%
Dividend Amount (Rs. In Million)	2.42	2.76	-	3.43	5.10
Dividend Tax (Rs. in Million)	-	0.35	-	0.48	0.72
II Paid up Preference Share Capital (Rs. in Million)	-	-	-	10.00	25.00
Face Value (Rs.)				100	100
Rate of dividend %					25%
Dividend Amount (Rs. In lacs)					3.75
Dividend Tax (Rs. in Lacs)					0.53

**ANNEXURE XIII**

**CAPITALISATION STATEMENT**

(Rs. in million)

<b>PARTICULARS</b>	<b>Year Ended 31/03/2006 (Pre-issue)</b>	<b>Year Ended 31/03/2006 (Post-issue)</b>
Secured Loans	1,230.59	
Unsecured Loans	333.77	
Total Debts	1,564.36	
Less : Short Term Debt	129.75	
Total Long Term Debts	1,434.61	
<u>Shareholders Funds</u>		
Share Capital (A)	145.00	●
Reserves & Surplus (Excluding Revaluation Reserve) (B)	518.36	●
Less : Misc. Expd. (to the extent not written off) (C)	5.58	
Total Shareholders Funds (A) + (B) - (C)	657.78	●
Long Term Debt / Shareholders Fund	2.18 : 1	●

Note : Information pertaining to Share Capital & Reserves post issue can be ascertained only after the conclusion of the book building process.



ANNEXURE XIV

STATEMENT OF TAX SHELTER

(Rs. in million)

PARTICULARS	Year Ended 31/03/2002	Year Ended 31/03/2003	Year Ended 31/03/2004	Year Ended 31/03/2005	Year Ended 31/03/2006
A Tax at Normal rates					
1. Net Profit before tax					
- chargeable at Normal rates	27.53	49.82	56.36	77.22	184.25
- chargeable at special rates					
Long Term Capital Gains	-	-	-	-	-
2. Tax rate (including surcharge and education cess)					
- Normal rate	35.70%	36.75%	35.88%	36.59%	33.66%
- Special rate on long term capital gain	-	-	-	-	-
3. Tax at Notional Rates					
- chargeable at Normal rates	9.83	18.31	20.22	28.26	62.02
- chargeable at special rates	-	-	-	-	-
Total Tax at Notional Rates	9.83	18.31	20.22	28.26	62.02
B Adjustments :					
1. Permanent Differences					
Dividend exempt from tax	(0.02)	-	(0.05)	(0.04)	-
(Profit)/Loss on sale of asset	-	0.50	1.44	2.22	-
Deduction u/s 80IA					(109.67)
Differential treatment for rent					
Receipts	(0.58)	(0.61)	-	-	-
General disallowances	0.05	0.50	(0.61)	(0.06)	-
Total Permanent differences	(0.54)	0.39	0.78	2.13	(109.67)
2. Timing Differences					
Difference in books and tax					
depreciation	(17.54)	(39.15)	(38.27)	(47.38)	(7.07)
Expenses u/s 43B (allowed) / disallowed	(0.03)	-	-	0.19	0.17
Others	0.06	0.73	0.08	0.19	-
Total Timing differences	(17.51)	(38.42)	(38.19)	(47.00)	(6.90)
Net Adjustments (1) + (2)	(18.06)	(38.03)	(37.41)	(44.88)	(116.57)
C Tax Savings on Net Adjustment	(6.45)	(13.98)	(13.42)	(16.42)	(39.24)
D Total Tax provided (A) + (C)	3.38	4.33	6.80	11.83	22.78

Note : The information pertaining to the years ended 31/3/2002 to 31/3/2005 are as per the Return of Income filed by the company except for the year ended 31/3/2006. The effect of assessment / appellate orders have not been considered above.



**ANNEXURE XV**

**STATEMENT OF RELATED PARTY DISCLOSURES:**

(As identified and certified by the Management and relied upon by the Auditors))

i) As per the Accounting standard - 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, the disclosure of transactions with related parties as defined in the Accounting Standard for the year ended 31st March, 2003 are given below:

A] List of Related Parties

● Key Management Personnel and Their Relatives

Rajhoo Bbarot  
 Bhavana Bbarot  
 Rikiin Bbarot  
 Rekha A.Barot  
 Ambalal P.Barot  
 Ridhima M.Doshi  
 Mitul M.Doshi

● Associates and Joint Ventures

Prakash-Atlanta Joint Venture  
 Gammon-Atlanta Joint Venture  
 AAP Construction Company

● Enterprises over which key Management Personnel is able to exercise significant influence.

Ambika Trading Corporation  
 Atulraj Builders Pvt. Ltd  
 Shrikant Studio Pvt.Ltd  
 Ideal Toll Road Investments & Operations Pvt. Ltd.

B] Transaction with Related Parties

(In Rupees)

Nature of Transaction	Key Management Personnel	Associates & Joint Ventures	Relative of Key Management Personnel	Enterprises over which Key management personnel exercise significant influence
Contract Receipts		287,429,621		
Contract Payments		82,192,917		
Capital Contribution		7,479,909		
Loans/Deposits Granted			150,000	2,689,500
Gurantee Commission Income		1,581,950		
Machinery Hiring Income		5,078,061		
Managerial Remuneration	960,000			
Rent Expenses	1,665,000			
Dividend Paid	1,867,105		547,995	
Shares Issued	5,685,000		1,245,000	
Rent Advance/Deposits	20,700,000			
Advance against Contract		30,561,463		
Outstanding Balance as at 31st March,2003				
- Receivables ( Debtors)	20,050	46,732,883	20,051	250,000
- Payables (Creditors)	-	13,147,125	336,152	602,301



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ii) As per the Accounting standard - 18 “Related Party Disclosure” issued by the Institute of Chartered Accountants of India, the disclosure of transactions with related parties as defined in the Accounting Standard for the year ended 31st March,2004 are given below:

A] List of Related Parties

- Key Management Personnel and Their Relatives

Rajhoo Bbarot  
 Bhavana Bbarot  
 Rikiin Bbarot  
 Rekha A.Barot  
 Ambalal P.Barot  
 Ridhima M.Doshi  
 Mitul M.Doshi

- Associates and Joint Ventures

Prakash-Atlanta Joint Venture  
 Gammon-Atlanta Joint Venture  
 AAP Construction Company

- Enterprises over which key Management Personnel is able to exercise significant influence.

Ambika Trading Corporation  
 Atulraj Builders Pvt. Ltd  
 Shrikant Studio Pvt.Ltd  
 Ideal Toll Road Investments & Operations Pvt. Ltd.

B] Transaction with Related Parties

(Figures in brackets indicate previous year’s data)

*(in Rupees)*

Nature of Transaction	Key Management Personnel	Associates & Joint Ventures	Relative of Key Management Personnel	Enterprises over which Key management personnel exercise significant influence
Contract Receipts	-	328,295,000 (287,429,621)	-	565,800
Contract Payments	-	108,236,878 (82,192,917)	-	-
Capital Contribution (Net of Withdrawals)	-	566,390 (7,479,909)	-	-
Loans/Deposits Granted			(150,000)	(2,689,500)
Loans/Deposits Taken	-	5,409,788	1,800,000	-
Gurantee Commission Recovery	-	2,399,093 (1,581,950)	-	-
Machinery Hiring Income	-	- (5,078,061)	-	-
Managerial Remuneration	1,334,499 (960,000)	-	-	-



Nature of Transaction	Key Management Personnel	Associates & Joint Ventures	Relative of Key Management Personnel	Enterprises over which Key management personnel exercise significant influence
Rent Expenses	1,740,000 (1,665,000)	-	-	-
Dividend Paid	2,151,355 (1,867,105)	-	610,245 (547,995)	-
Shares Issued / Application	12,722,000 (5,685,000)	-	489,000 (1,245,000)	-
Rent Advance/Deposits	20,550,000 (20,700,000)	-	-	-
Advance received against Contract	-	95,658,038 (147,954,546)	-	-
Advance given against Contract	-	19,870,764 (30,561,463)	-	-
Outstanding Balance as at 31st March, 2004				
- Receivables ( Debtors)	20,053 (20,050)	19,515,735 (46,732,883)	20,051 (20,051)	2,191,397 (250,000)
- Payables (Creditors)	464,265 -	8,760,178 (13,147,125)	103,048 (336,152)	602,301 (602,301)

iii) As per the Accounting standard - 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, the disclosure of transactions with related parties as defined in the Accounting Standard for the year ended 31st March, 2005 are given below:

A] List of Related Parties

- Key Management Personnel and Their Relatives

Rajhoo Bbarot  
 Bhavana Bbarot  
 Rikiin Bbarot  
 Rekha A.Barot  
 Ambalal P.Barot  
 Ridhima M.Doshi  
 Mitul M.Doshi

- Associates and Joint Ventures

Prakash-Atlanta Joint Venture  
 Gammon-Atlanta Joint Venture  
 AAP Construction Company

- Enterprises over which key Management Personnel is able to exercise significant influence.

Ambika Trading Corporation  
 Atulraj Builders Pvt. Ltd  
 Shrikant Studio Pvt.Ltd  
 Ideal Toll Road Investments & Operations Pvt. Ltd.



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**B] Transaction with Related Parties**

(Figures in brackets indicate previous year's data)

(In Rupees)

<b>Nature of Transaction</b>	<b>Key Management Personnel</b>	<b>Associates &amp; Joint Ventures</b>	<b>Relative of Key Management Personnel</b>	<b>Enterprises over which Key management personnel exercise significant influence</b>
Contract Receipts	-	344,794,823	-	-
	-	(328,295,000)	-	(565,800)
Contract Payments	-	93,305,229	-	-
	-	(108,236,878)	-	-
Capital Contribution (Net of withdrawals)	-	-	-	-
	-	(566,390)	-	-
Loans/Deposits Granted / Repaid	425,271	11,456,665	5,340,264	2,918,154
	-	-	-	(2,689,500)
Loans/Deposits Taken	-	-	3,500,000	2,150,000
	-	(5,409,788)	(1,800,000)	-
Gurantee Commission Recovery	-	-	-	-
	-	(2,399,093)	-	-
Machinery Hiring Income	-	-	-	-
	-	-	-	-
Managerial Remuneration	1,391,031	-	-	-
	(1,334,499)	-	-	-
Rent Expenses	1,740,000	-	-	-
	(1,740,000)	-	-	-
Dividend paid	(2,151,355)	-	(610,245)	-
Interest Expenses	-	-	100,237	-
Equity Shares Issued / Application	17,470,000	-	488,000	-
	(12,722,000)	-	(489,000)	-
Preference Shares Issued	-	-	-	50,000,000
Rent Advance/Deposits	1,000,000	-	-	-
	(20,550,000)	-	-	-
Advance received against Contract	-	48,500,782	-	-
	-	(95,658,038)	-	-
Advance given against Contract	-	(19,870,764)	-	-
<b>Outstanding Balance as at 31st March,2005</b>				
- Receivables ( Debtors)	-	311,303,051	20,051	270,051
	(20,053)	(19,515,735)	(20,051)	(2,191,397)
- Payables (Creditors)	146,284	20,051,853	336,152	301,151
	(464,265)	(8,760,178)	(439,200)	(602,301)

iv) As per the Accounting standard - 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, the disclosure of transactions with related parties as defined in the Accounting Standard for the period ended 31st March, 2006 is given below:





A] List of Related Parties

- Key Management Personnel and Their Relatives  
 Rajhoo Bbarot  
 Bhavana Bbarot  
 Rikiin Bbarot  
 Rekha A.Barot  
 Ambalal P.Barot  
 Ridhima M.Doshi  
 Mitul M.Doshi  
 Vijay Nadkarni  
 G. Radhakrishnan
- Associates and Joint Ventures  
 Prakash-Atlanta Joint Venture  
 Gammon-Atlanta Joint Venture  
 AAP Construction Company  
 Rajendra Barot HUF  
 Ambalal P. Barot HUF
- Enterprises over which key Management Personnel is able to exercise significant influence.  
 Ambika Trading Corporation  
 Atulraj Builders Pvt. Ltd  
 Shrikant Studio Pvt.Ltd  
 Ideal Toll Road Investments & Operations Pvt. Ltd.  
 Balaji Tollways Pvt. Ltd.  
 Bharat Engg & Infrastructure Pvt. Ltd.

B] Transaction with Related Parties

(Figures in brackets indicate previous year's data)

(In Rupees)

Nature of Transaction	Key Management Personnel	Associates & Joint Ventures	Relative of Key Management Personnel	Enterprises over which Key management personnel exercise significant influence
Contract Receipts	-	194,730,276	-	-
		(344,794,823)	-	-
Contract Payments	-	-	-	-
		(93,305,229)	-	-
Loans/Deposits Granted / Repaid	-	-	1,000	5,598,514
	(425,271)	(11,456,665)	(5,340,264)	(2,918,154)
Loans/Deposits Taken	105,390	-	451,000	23,064,449
	-	-	(3,500,000)	(2,150,000)
Managerial Remuneration	1,831,350	-	-	-
	(1,391,031)	-	-	-
Rent Expenses	2,400,000	-	-	-
	(1,740,000)	-	-	-



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Nature of Transaction	Key Management Personnel	Associates & Joint Ventures	Relative of Key Management Personnel	Enterprises over which Key management personnel exercise significant influence
Dividend Paid	2,789,848	-	634,761	-
	-	-	-	-
Interest Expenses	-	7,374,982	-	-
	-	-	(100,237)	-
Equity Shares Issued / Application	27,969,000	-	630,000	-
	(17,470,000)	-	(488,000)	-
Preference Shares Issued	-	-	-	75,000,000
				(50,000,000)
Rent Advance/Deposits	-	-	-	-
	(1,000,000)	-	-	-
Advance received against Contract	-	105,968,577	-	-
	-	(48,500,782)	-	-
<b>Outstanding Balance as at 31st March, 2006</b>				
Deposit / Loan Payables	-	101,463,722	450,000	17,500,000
	-	-	-	-
Deposit Receivable	19,550,000	-	-	-
	-	-	-	-
- Receivables ( Debtors)	-	301,838,003	20,051	304,116
	-	(311,303,051)	(20,051)	(270,051)
- Payables (Creditors)	1,853,621	11,040,951	336,152	301,151
	(146,284)	(20,051,853)	(336,152)	(301,151)

**B. FINANCIAL INFORMATION OF GROUP COMPANIES****Companies under the same management**

Except as stated in this section of the Red Herring Prospectus, there are no companies under the same management within the meaning of section 370(1) (B) of the Companies Act, 1956.

The following are the details of our Group Companies and other ventures of our Promoters:

**A. Shrikant Studios Private Limited**

Shrikant Studios Private Limited was incorporated on May 25, 1946 under the Companies Act VII of 1913 and is engaged in the entertainment business.

**Shareholding Pattern as on June 30, 2006:**

Name of shareholder	No. of shares held	Percentage of shareholding
Mr. Shadilal Chopra	1,132	25.01
Mr. Santosh Chopra	1,132	25.01
Mr. Atul A. Barot	1,131	24.99
Mr. Rajhoo Bbarot	1,131	24.99
<b>Total</b>	<b>4,526</b>	<b>100.00</b>

**Board of Directors:**

The Board of Directors of Shrikant Studios Private Limited comprises the following:

1. Mr. Shadilal Kesoram Chopra
2. Mr. Rajhoo Bbarot
3. Mr. Atul A. Barot
4. Mrs. Santosh Shandilal Chopra

**Audited Financial Performance:****(Rs. in million, except per share data)**

	As of March 31,		
	2005	2004	2003
Equity share capital	0.45	0.45	0.45
Reserves and surplus*	10.68	10.34	8.12
Total income	0.84	5.86	0.82
Profit after tax	0.05	2.22	(1.69)
Earnings per share (face value Rs. 100/-) ** (Rs.)	10.85	490.50	-
Net Asset Value per share (Rs.)	2397.79	2384.00	1896.46

\* Excludes revaluation reserves

\*\* Computed on the basis of earnings including extraordinary items



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### B. Atul Raj Builders Private Limited

Atul Raj Builders Private Limited was incorporated on October 10, 1984 under Companies Act, 1956 and is engaged in the construction business.

#### Shareholding Pattern as on June 30, 2006:

Name of shareholder	No. of shares held	Percentage of shareholding
Atul Barot	25,575	30.22
Rajhoo Bbarot	27,655	32.68
Atlanta Limited	3,153	3.73
Rekha A. Barot	14,578	17.23
Bhavana R. Bbarot	11,500	13.59
M/s. Bharat Constructions	2,155	2.55
<b>Total</b>	<b>84,616</b>	<b>100.00</b>

#### Board of Directors:

The Board of Directors of Atul Raj Builders Private Limited comprises the following:

1. Mr. Atul A. Barot
2. Mr. Rajhoo Bbarot

#### Audited Financial Performance:

(Rs. in million, except per share data)

	As of March 31,		
	2005	2004	2003
Equity share capital	8.46	8.46	8.46
Reserves and surplus*	10.01	15.49	11.19
Total income	2.18	2.19	144.65
Profit after tax	(5.47)	(3.10)	(37.07)
Earnings per share (face value Rs. 100/-) ** (Rs.)	-	-	-
Net Asset Value per share (Rs.)	118.27	182.91	132.08

\* Excludes revaluation reserves

\*\* Computed on the basis of earnings including extraordinary items

### C. Ideal Toll Road Investments & Operations Private Limited

Ideal Toll Road Investments & Operations Private Limited was incorporated on September 15, 1994 under the Companies Act, 1956 and is engaged in the construction business.

#### Shareholding Pattern as on June 30, 2006:

Name of shareholder	No. of shares held	Percentage of shareholding
Atul Barot	925	8.19
Rajhoo Bbarot	925	8.19
Rekha A. Barot	2,625	23.23
Bhavana R. Bbarot	2,625	23.23
Dhaval A. Barot	2,100	18.58
Rikiin R. Bbarot	2,100	18.58
<b>Total</b>	<b>11,300</b>	<b>100.00</b>

**Board of Directors:**

The Board of Directors of Ideal Toll Road Investments & Operations Private Limited comprises the following:

1. Mr. Rajhoo Bbarot
2. Mrs. Bhavana Bbarot

**Audited Financial Performance:****(Rs. in million, except per share data)**

	As of March 31,		
	2005	2004	2003
Equity share capital	1.13	1.13	1.13
Reserves and surplus*	148.76	138.24	132.82
Total income	85.89	77.81	84.76
Profit after tax	66.28	46.71	53.93
Earnings per share (face value Rs. 100) ** (Rs.)	5865.83	4134.00	4772.67
Net Asset Value per share (Rs.)	13263.56	12331.92	11852.06

\* Excludes revaluation reserves

\*\* Computed on the basis of earnings including extraordinary items

**D. Balaji Toll Ways Limited**

Balaji Toll Ways Limited was incorporated on November 22, 2005 under the Companies Act, 1956 and is engaged in the construction business.

**Shareholding Pattern as on June 30, 2006:**

Name of shareholder	No. of shares held	Percentage of shareholding
Rajhoo Bbarot	5000	10.00
Rajendra A. Barot (HUF)	3000	6.00
Ambalal Bbarot (HUF)	3000	6.00
Bhavana R. Bbarot	3000	6.00
Rikiin R. Bbarot	3000	6.00
Ridhima Mitul Doshi	3000	6.00
SREI Infrastructure Finance Limited	13000	26.00
Atlanta Limited	17000	34.00
<b>Total</b>	<b>50000</b>	<b>100.00</b>

**Board of Directors:**

The Board of Directors of Balaji Toll Ways Limited comprises the following:

1. Mr. Rajhoo Bbarot
2. Mr. G. Radhakrishnan
3. Mr. Rikiin Bbarot

**Financial Performance:**

The Company is a newly incorporated company and is yet to commence operations.

**E. Vaikuntam Realty Private Limited**

Vaikuntam Realty Private Limited was incorporated on May 31, 2004 under the Companies Act, 1956 and is engaged in the construction business.



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**Shareholding Pattern as on June 30, 2006:**

Name of shareholder	No. of shares held	Percentage of shareholding
Rajhoo Bbarot	350	35.00
Bhavana Bbarot	350	35.00
Rikiin Bbarot	300	30.00
<b>Total</b>	<b>1000</b>	<b>100.00</b>

**Board of Directors:**

The Board of Directors of Vaikuntam Realty Private Limited comprises the following:

1. Mr. Rajhoo Bbarot
2. Mr. Rikiin Bbarot
3. Mrs. Bhavana Bbarot

**Audited Financial Performance:**

**(Rs. in million, except per share data)**

	As of March 31 2005
Equity share capital	0.10
Reserves and surplus*	-
Total income	-
Profit after tax	(0.01)
Earnings per share (face value Rs. 100/-) ** (Rs.)	-
Net Asset Value per share (Rs.)	90

\* Excludes revaluation reserves

\*\* Computed on the basis of earnings including extraordinary items

The Equity Shares of all the above Group Companies are not listed on any stock exchange.

The above Group Companies have not made any public or rights issue in the preceding three years.

None of our Promoters or Group Companies have been restrained or prohibited by SEBI or any other regulatory authority from accessing the capital markets for any reason.

Except as stated herein above in this section titled "Financial Information of Group Companies" beginning on page 113 of the Red Herring Prospectus, no other company promoted by our Promoters have been struck off from the records of the Registrar of Companies in the last three years.

**Companies of the Promoter/Promoter Group referred to BIFR/ under winding up/having negative net worth**

None of the Group Companies have been referred to BIFR, are under winding up process or have negative net worth.

**Common Pursuits**

We have 6 Group Companies / Partnership Firms viz. Atul Raj Builders Private Limited, Ideal Toll Road Investments & Operations Private Limited, Balaji Tollways Limited, Vaikuntam Realty Private Limited, Ambika Trading Corporation and AAP Construction Company having main objects and business similar to our Company. Interests of these companies may conflict with each other. For more details on the same, please refer to section titled "Financial Information of Group Companies" beginning on page 113 of the Red Herring Prospectus

**Related Business transactions within the Group**

Except as mentioned in the section titled "Financial Statements" beginning on page 85 of the Red Herring Prospectus there are no related business transactions within the group.

**Sales or Purchases between Companies in the Group**

There have been no sales or purchases between companies in the Group exceeding in value in the aggregate 10% of the total sales or purchases of our Company, except those transactions mentioned under the section titled “Financial Statements” on page 85 of the Red Herring Prospectus.

**Changes in Accounting Policies in the last three years**

There have been no changes in accounting policies in the last three years except as stated in section titled “Financial Statements” beginning on page 85 of the Red Herring Prospectus.

**Other Ventures of our Promoters****A. Ambika Trading Corporation**

Ambika Trading Corporation is a registered partnership firm with Mrs. Rekha Atul Barot and Mrs. Bhavana Rajendra Bbarot as partners vide a partnership deed dated September 1, 1985. The firm had been carrying on the business of construction, additions and alteration of structures and acquiring properties on lease or otherwise for similar purpose. Prior to September 1, 1985 it was carried on by Mrs. Rekha Atul Barot and Mrs. Shantaben Ambalal Barot. As per the Addendum dated November 1, 2000 to the Deed of Partnership Miss Mili Atul Barot and Miss Ridhima Doshi have joined the partnership firm as incoming partners and have also admitted Minor Miss Chaitali Barot to the benefit of the partnership firm.

**The profit sharing ratio of the partners is as under:**

Mrs. Rekha Atul Barot	30%
Mrs. Bhavana Bbarot	25%
Miss Mili Atul Barot	10%
Miss Ridhima Doshi	25%
Miss Chaitali Atul Barot	10%

**Financial performance of Ambika Trading Corporation:****(Rs. in millions)**

Particulars	For the Financial year ended March 31		
	2005	2004	2003
Total Income	4.47	4.50	3.06
Profit after taxation	3.27	2.91	2.53
Partners' Capital	7.80	7.32	10.36

**B. AAP Construction Company**

AAP Construction Company is a registered partnership firm entered into between PBA Infrastructure Limited, Atlanta Infrastructure Limited and Ameya Developers Private Limited who had been carrying on business of construction activities and allied works under the partnership deed dated July 1, 2002 at Mumbai. The office for AAP Construction Company is at B-124, Arjun Centre, Govandi, Mumbai.

By a Memorandum of Understanding dated September 13, 2004, the partners of AAP Construction Company have decided to close business and settle accounts and enter into arbitration for settling disputes arising from it. For details refer to Atlanta Limited and Ameya Developers Private Limited, M/s. PBA Infrastructure Limited in the chapter titled “Outstanding Litigation, Material Developments and Other Disclosures” on page 125 of the Red Herring Prospectus.

**The profit sharing ratio of the partners is as under:**

PBA Infrastructure Limited	12.5%
Atlanta Infrastructure Limited	12.5%
Ameya Developers Private Limited	75%

**The loss sharing ratio of the partners is as under:**

PBA Infrastructure Limited	25%
Atlanta Infrastructure Limited	25%
Ameya Developers Private Limited	50%



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**Audited Financial performance of AAP Construction Company:**

**(Rs. in millions)**

Particulars	Till November 10, 2004	For the Financial year ended March 31	
		2004	2003
Total Income	73.64	224.16	196.99
Profit after taxation	(150.33)	(8.09)	(19.25)
Partners' Capital	60.51	50.88	31.19





## C. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(All the figures used in this section, unless stated otherwise, have been derived from the financial statements of our Company)

### I. Overview of the business of our Company:

Our Company has been a prominent player in the business of infrastructure development of various kinds and we have carried out civil engineering works of large magnitude and diversified nature including highways, airfield pavements, roads, reclamation, reinforced concrete tracks, buildings, sheds, water main laying, sewerage works and other civil works. We have completed various projects valued at more than Rs. 2518.63 million.

Since the BOT Concept is gaining popularity in many Government Departments, our Company is focusing on securing appropriate projects which provides good monetary returns, as well as an opportunity to design and execute projects through adequate technical controls, expertise and strong human and machinery resources. At present, our Company has an order book position in construction of Rs.2928.38 million as on June 30, 2006.

Currently, our Company has been awarded and is working on two projects on a Build Operate and Transfer basis:

1. Mumbra Bypass Project
2. Nagpur - Kondhali Section

The wide variety of clients include National Highway Authority of India, Ministry of Road Transport and Highways, Public Works Department (PWD), Government of Maharashtra, Municipal Corporation of Greater Mumbai, Airports Authority of India, Mumbai Metropolitan Region Development Authority, Mahanadi Coalfields Limited, Government of Gujarat, Government of Uttar Pradesh, Tata Chemicals Limited, Associated Cement Companies Limited, Reliance Petroleum Limited, Gujarat Ambuja Cements Limited, Narmada Cement Company Limited and Saurashtra Cement Limited

The main focus areas of our Company are:

- **Engineering, Procurement and Construction (EPC)**
- **Highways and Bridges on BOT basis**
- **Mining**
- **Real Estate**

### II. Significant developments subsequent to the last financial year:

The Directors of our Company confirm that in their opinion, no circumstances have arisen since the date of the last financial statements as disclosed in the Red Herring Prospectus and which materially and adversely affects or is likely to affect our business or profitability, or value of our assets, or our ability to pay the liabilities within the next twelve months.

### III. Factors that may affect results of the Operations:

- Any change in the government policy or its budgetary allocation to the infrastructure sector will have a major impact on our business.
- Increasing competition in the construction business from the national and international players.
- Our Company's ability to successfully implement our strategy, growth and expansion plans;
- Changes in the fiscal, economic or political conditions in India;
- Increase in the labour cost, raw material prices, prices of plant and machineries and insurance premiums.
- Any change in tax laws granting incentives to infrastructure industry.



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#### IV. Discussion on Results of Operations:

A summary of our past financial results based on our Restated Accounts are given below:

#### Discussion on Result of Operations

#### Common Size Statement

(Rs. in million)

Particulars	March 03	% to Total Income	March 04	% to Total Income	March 05	% to Total Income	March 06	% to Total Income
<b>INCOME</b>								
Contract Receipts	427.43	92.77	596.47	96.09	806.99	99.29	1071.70	97.92
Increase / (Decrease) in Inventories	15.80	3.43	10.25	1.65	-7.81	-0.96	18.80	1.72
Other Income	17.52	3.80	14.00	2.26	13.57	1.67	3.97	0.36
<b>Total</b>	<b>460.76</b>	<b>100.00</b>	<b>620.72</b>	<b>100.00</b>	<b>812.76</b>	<b>100.00</b>	<b>1094.46</b>	<b>100.00</b>
<b>EXPENDITURE</b>								
Operating Costs	285.91	62.05	428.96	69.11	516.82	63.59	663.64	60.64
Employees Costs	31.20	6.77	30.97	4.99	43.26	5.32	37.90	3.46
Administration & Other Expenses	29.40	6.38	23.29	3.75	28.93	3.56	31.82	2.91
<b>Total</b>	<b>346.52</b>	<b>75.21</b>	<b>483.22</b>	<b>77.85</b>	<b>589.01</b>	<b>72.47</b>	<b>733.36</b>	<b>67.01</b>
<b>Operating Profit before Finance Cost, Amortisation cost, Depreciation &amp; Tax</b>	<b>114.24</b>	24.79	<b>137.50</b>	22.15	<b>223.75</b>	27.53	<b>361.11</b>	32.99
Interest & Finance charges	38.38	8.33	45.42	7.32	93.03	11.45	117.02	10.69
Depreciation	26.01	5.64	35.69	5.75	53.47	6.58	59.75	5.46
Preliminary Expenses written off	0.04	0.01	0.04	0.01	0.03	0.00	0.10	0.01
<b>Net Profit before tax</b>	<b>49.82</b>	<b>10.81</b>	<b>56.36</b>	<b>9.08</b>	<b>77.22</b>	<b>9.50</b>	<b>184.25</b>	<b>16.83</b>
Provision for Taxation								
Current Tax	4.27	0.93	10.59	1.71	12.48	1.54	26.33	2.41
Deferred Tax	12.66	2.75	12.67	2.04	14.79	1.82	2.27	0.21
<b>Net Profit After Tax</b>	<b>32.89</b>	<b>7.14</b>	<b>33.10</b>	<b>5.33</b>	<b>49.95</b>	<b>6.15</b>	<b>155.65</b>	<b>14.22</b>

#### Comparison of performance and Analysis of Developments for Financial Year ended 31st March, 2006 with Financial Year ended 31st March, 2005.

#### Significant Developments during the financial year

- Our Company in joint venture with SREI Infrastructure Finance Limited had bid for "Improvement, Operation and Maintenance including strengthening and widening of Existing 2-Lane Road to 4-Lane Road Dual Carriageway from Km 9.200 - Km 50.000 of NH-6 (Nagpur-Kondhali Section) ("Project")" in the state of Maharashtra on BOT basis initiated by NHAI. The Project has been awarded to the Joint Venture. A SPV by the name of "Balaji Tollways Limited" has been created by the joint venture for carrying out the project. The SPV i.e Balaji Tollways Limited signed a concession agreement on December 9, 2005. The concession period for the project is 20 years.
- During the year 5,00,000 Equity Shares were allotted to private investors at a price of Rs. 120 per share.
- On December 20, 2005 our Company allotted 1,500,000 Preference Shares to its Group Company Ideal Toll Road Investments & Operations Private Limited at a price of Rs. 50 per share.
- On September 30, 2005, we allotted 28,59,900 Equity Shares of Rs. 10 each at par to the Promoters.
- This year the fiscal budget continued its thrust to infrastructure development especially on the development of national highways.

**Contract Receipts:**

Contract Receipts for the financial year ended March 31, 2006 was Rs. 1071.7 million, as against contract receipts of Rs. 807 million during the previous financial year ended March 31, 2005. The contract receipt of the company is increased by 32.8%. The receipts in mining operations again saw a jump and the receipts increased by 54.9%. The MMRDA projects in the current year had good progress resulting in the increase in Contract Receipts

**Operating Cost:**

Operating cost accounted for 61.92 % of total contract receipts at Rs. 663.64 million during the financial year 2005, as compared to 64.04% of total contract receipts at Rs. 516.82 million during the previous financial year. This marginal betterment is due to the increase in share of mining business which has lower operating costs.

**Employees cost:**

Employee costs have decreased from Rs. 43.26 million to Rs. 37.89 million on account of decrease in the number of employees in the company. This is because the company has resorted to more sub-contracting thereby reducing supervisory costs.

**Administrative & Other Expenses:**

There was an increase in the administrative and other expenses from Rs. 28.93 million in the financial year 2005 to Rs.31.81 million in the financial year 2006, a rise of around 10%. However as a percentage of contract receipts there is a reduction of 0.61 % over the previous year due to the cost control measures adopted by the company.

**Interest and Financial Charges:**

Financial charges increased during the financial year ended 2005 from Rs. 93.03 million to Rs. 117.02 million due to additional loan taken during the year. The Company had availed additional credit facility in form of cash credit and buyer credit from its Existing Lenders. During the year company also availed additional Cash Credit Facilities from Central Bank of India who was newly inducted into the consortium.

**Depreciation:**

Depreciation has increased from Rs.53.47 million in the year 2004-05 to Rs. 59.75 million in 2005-2006. During the year there was no major purchase of Fixed Assets

**Profit before tax:**

The profit before tax has increased from Rs. 56.36 million in financial year 2004 to Rs. 77.22 million in financial year 2005 because of cost saving & increase in the contract receipts.

**Comparison of performance and Analysis of Developments for Financial Year ended 31st March, 2005 with Financial Year ended 31st March, 2004.****Significant Developments during the financial year**

- Our Company successfully completed the project of periodic renewal of Vapi-Ambethi (link to pient) and Vapi Daman Road (Km.1.8 to Km.26.0 Km.0.0 to Km.3.3 and Km.5.2 to Km.7.2) of approximately Rs. 92 million
- Our Company was awarded the mining project of Extraction & Transfer of Coal/Coal Measure Strata by deploying "Surface Miners" on hiring basis at Bharapur OCP of Kalinga Area. (NIT 317). This is a three year contract valued at approximately Rs. 299 million
- Our Company acquired Surface Miner- 2200/3800 during the year.
- Our Company imported a 160 tonne /hour mobile crushing plant from Metso Minerals.
- Our Company purchased Batching plant of 60 cubic metres from Schwing Stetter
- This year the fiscal budget gave a lot of thrust to infrastructure development especially on the development of national highways.

**Contract Receipts:**

Contract Receipts for the financial year ended March 31, 2005 was Rs. 807 million, as against contract receipts of Rs. 596.47 million during the previous financial year ended March 31, 2004. The contract receipt of our Company has increased by 35.29%. The receipts in mining operations saw a great jump and the receipts increased by 497%. This is due to new work orders from MMRDA for roads and MCL for mining. The MMRDA project contributed Rs. 197.74 million as against NIL for the previous year and a new mining project awarded by MCL contributed Rs. 76.41 million as against the previous year's Rs. 12.8 million.



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### **Operating Cost:**

Operating cost accounted for 64.04 % of total contract receipts at Rs. 516.82 million during the financial year 2005, as compared to 71.92% of total contract receipts at Rs. 428.96 million during the previous financial year. The reason for this decrease in operating cost is due to the increase in contribution from the mining business, which has a lower operating cost as compared to other businesses.

### **Employees cost:**

Employees costs have increased from Rs. 30.97 million to Rs. 43.26 million on account of increase in the number of employees of our Company and remuneration paid to them.

### **Administrative & Other Expenses:**

There was an increase in the administrative and other expenses from Rs. 23.29 million in the financial year 2004 to Rs. 28.93 million in the financial year 2005, a rise of 24.21%. However as a percentage of contract receipts, there was a reduction of 8.19% over the previous financial year. We have been able to get this reduction by curtailing costs and also because of increase in business.

### **Interest and Financial Charges:**

Financial charges increased from Rs. 45.42 million during the financial year ended 2005 to Rs. 93.03 million due to additional loan taken during the year. The Company had availed additional credit facility in form of term loan, cash credit and buyer credit.

### **Depreciation:**

Depreciation charges has increased from Rs.35.69 million in the year 2004-05 to Rs. 53.47 million in 2003-2004 due to increase in fixed assets by 190.14 million during the year.

### **Profit before tax:**

The profit before tax as a percentage to total income has increased from Rs. 56.36 million in financial year 2004 to Rs. 77.22 million in financial year 2005 because of cost saving & increase in the contract receipts.

### **Sundry Debtors:**

There has been an increase in other debts from Rs. 38.26 million in financial year 2004 to Rs. 298.28 million in financial year 2005 due to good progress billing against our Orissa and MMRDA projects for work done in the last quarter of the financial year 2004 - 2005, proceeds of which were received in the financial year 2005 - 2006.

### **Comparison of performance and Analysis of Developments for Financial Year ended 31st March, 2004 with Financial Year ended 31st March, 2003.**

#### **Significant Developments during the year**

- The Government of India was continuing with its thrust on Infrastructure Development and on construction of Highways.
- During the year our Company procured Caterpillar make 320 CL Hydraulic Excavator.

### **Contract Receipts:**

Contract receipts for the financial year ended March 31, 2004 was Rs. 596.47 million, as against contract receipts of Rs. 427.43 million during the previous financial year ended March 31, 2003. The contract receipt of the company is increased by 39.55%. The increase was mainly due to execution of our new order received from PWD, Gujarat for the Surat - Dhulia road, which contributed Rs. 41.42 million. This year, there was higher work execution on our ongoing road project at Lucknow contributing to the increase.

### **Operating Cost:**

Operating cost accounted for 71.92 % of total contract receipts during the year at Rs. 428.96 million during the financial year 2004, as compared to 66.89% of total contract receipts at Rs. 285.91 million during the previous financial year. The increase of operating cost by 50.30% over 2003-2004 was due to increase in the number of contracts and sub contract cost in hand.

### **Employees cost:**

Employees cost has reduced from Rs. 31.20 million to Rs. 30.97 million, which is insignificant.



**Administrative & Other Expenses:**

There was a reduction in the administrative and other expenses from Rs. 29.40 million in the financial year 2003 to Rs. 23.29 million in the financial year 2004, a fall of 20.78% due to cost savings measures taken by our Company.

**Interest and Financial Charges:**

Financial charges increased during the financial year ended 2004 from Rs. 38.38 million to Rs. 45.42 million due to additional loan taken during the year. We had availed additional credit facility in form of cash credit, term loan.

**Depreciation:**

Depreciation has increased from Rs. 26.00 million in the year 2002-03 to Rs. 35.69 million in 2003-2004 due to increase in fixed assets by Rs. 69.79 million.

**Profit before tax:**

The profit before tax has increased from Rs. 49.82 million in financial year 2003 to Rs. 56.36 million in financial year 2004, however, as a percentage to total income has reduced from 11.66% in financial year 2003 against 9.45% in the financial year 2004. This decrease is mainly due to the increase in depreciation to Rs. 35.69 million as against the previous year's Rs. 26.01 million.

**Review of Assets and Liabilities**

**Fixed Asset Schedule**

(Rs. in million)

	Mar-06	Mar-05	Mar-04	Mar-03
Net Fixed Assets after Revaluation Reserves	1,418.51	1,337.36	999.87	609.41
Percentage Increase/(decrease)	6.07	33.75	64.07	-

**Loans and Advances Schedule**

**Secured Loans**

(Rs. in million)

	Mar-06	Mar-05	Mar-04	Mar-03
Term loan from bank / financial institutions	591.26	527.28	437.15	208.60
Total Secured Loans	1230.59	1137.73	767.19	500.45
Percentage to Total Secured Loans	48.05	46.34	56.98	41.68

**Unsecured Loans**

(Rs. in million)

	Mar-06	Mar-05	Mar-04	Mar-03
Fixed Deposit from Public	50.45	69.37	37.63	15.64
Percentage to Total Unsecured Loans	15.12	24.56	19.85	6.30
Inter Corporate Deposit	79.3	36.30	6.90	6.60
Percentage to Total Unsecured Loans	23.76	12.85	3.64	2.66
Mobilisation Advance (Contracting Authorities)	204.01	176.80	145.04	226.03
Percentage to Total Unsecured Loans	61.12	62.59	76.51	91.04

**Break-up of Unsecured loans taken from Group Companies as on March 31, 2006**

(Rs. in million)

Sr. No.	Name of the Group Company	Amount outstanding as on March 31, 2006	Rate of Interest payable	Repayment Schedule
1.	Shrikant Studio Private Limited	10.00	12%	September 30, 2006
2.	Atul Raj Builders Private Limited	7.50	12%	September 30, 2006



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## INFORMATION REQUIRED AS PER CLAUSE 6.10.5.5. OF SEBI DIP GUIDELINES

### Unusual or infrequent events or transactions

There are no unusual or infrequent events or transactions that have significantly affected our business.

### Significant economic changes that materially affected or are likely to affect income from continuing operations

There have been no significant economic and regulatory changes other than those mentioned below:

- Any major change in Government policies would have an impact on the operations of our Company.
- Changes in prices of raw materials like cement and steel and consumables such as petroleum products in case of BOT projects.

### Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Apart from the risks as discussed under heading “Risk Factors” beginning on page x of the Red Herring Prospectus, other known trends or uncertainties that have had or are expected to have a material impact on the revenue of income from continued operation.

### Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

The change in the prices of major raw material like cement and steel would materially affect cost and revenue and is expected to have a positive impact on the industry as well as our Company.

### Total turnover of each major industry segment in which our Company operated

No separate segments have been identified by our Company.

### Status of any publicly announced new products or business segment

We have not announced any new product and segment.

### The extent to which business is seasonal

Our business is not seasonal in nature. However, the construction activities are affected by heavy rains and extreme weather conditions.

### Any significant dependence on a single or few suppliers or customers

Our Company sources its raw material from number of suppliers and is not under threat from excessive dependence on any single supplier.

### Competitive conditions

Our Company faces competition in the sectors EPC, BOT, Mining and Real Estate from other players. Most contracts for EPC and BOT are based on a tender floated by various government bodies. There are certain pre-qualification requirements (both financial and expertise related) for being eligible to bid for these contracts. We face competition from both large and small players. We are a medium sized company, which has certain limitations regarding the size of contracts for which we can bid. Our Company has in the past successfully bid for and completed various contracts based on our track record and ability to enter into joint venture agreements with other players (both big and small).

In the mining sector, we are engaged in extraction and transfer of coal / coal measure strata by deploying our surface miners on hire basis to MCL. As in the past, we may face competition from other companies for future contracts floated for extraction and transfer of coal. In addition, we also plan to expand our business in mining sector as and when it is privatized. Upon liberalization of this sector, we may have to face competition from other players at the bidding stage, particularly in the case of captive coal mining by power, cement and steel companies. These companies can after meeting their captive requirements, sell the additional coal from the blocks to other users by striking long term agreements for coal supply. In such an event, there will be wide participation in competitive bidding for contracts floated by companies in power, cement and steel sectors for extraction and transfer of coal / coal measure strata

The competition in the real estate business is very intense particularly because our Company plans to work on real estate projects in and around Mumbai. There are a number of companies engaged in this line of activity in Mumbai and we face severe competition from them. Our Promoter, Mr. Rajhoo Bbarot has adequate experience in this business and has been involved in the completion of various residential and commercial projects successfully and hence we are confident that we would be able to face the competition posed by other companies.

**VI. SECTION : LEGAL AND OTHER INFORMATION****A. OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES**

There are no outstanding litigations against our Company, our Directors, our Promoters and our Group Companies or any disputes, tax liabilities, non payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits and arrears on cumulative preference shares issued by our Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors and our Promoters, except the following:

**i. Outstanding litigation and contingent liabilities of the Company**

Contingent liabilities as on March 31, 2006

(Rs. in millions)

<b>PARTICULARS</b>	<b>Year ended 31/03/2006</b>
Bank Guarantees issued in normal course of business	856.25
Disputed Income-tax liability	7.86
Disputed Works Contract tax liability.	0.27
<b>Total</b>	<b>864.37</b>

***Outstanding Litigation against our Directors***

The name of one Mr. G. Vishwanathan appears on the list of willful defaulters' list published by RBI in his capacity as Director of Trans India Resorts Limited. Mr. G. Vishwanathan, our Chairman is not the same person whose name appears as a willful defaulter in the RBI defaulters list with respect to Trans India Resorts Limited.

***Outstanding Litigation by our Promoters***

***Mr. Rajendra A. Barot v. Mr. Jagmohan Dhawan & Mr. Chandan Dhawan before the Additional Chief Metropolitan Magistrate 44th Court at Andheri, Bombay [C. C. No. 396 / SS / 06].***

The aforesaid accused had agreed to sell and transfer all their rights, title and interest in respect of a bungalow known as 'J.D. House' for a total consideration of Rs. 31,100,000/- in part payment of which the complainant had issued a cheque for Rs. 300,000/- to the accused. However, the said deal did not materialise and in due discharge of their legal liability, the accused had issued a cheque dated April 5, 2006 bearing number 998531 for Rs. 300,000/-. The said cheque was however dishonoured on April 6, 2006. Thereafter, the complainant issued a statutory notice to the accused calling upon them to pay the amount of Rs. 300,000/-. In spite of the said notice, the accused failed and neglected to make the payment of the dishonoured cheque. Thus, this case has been filed by the complainant on May 23, 2006 under section 138 read with section 142 of the Negotiable Instrument Act, 1881, praying that the accused may be punished with maximum punishment for the said offence. The next date for hearing is September 2, 2006

***Ms. Bhavana Rajendra Barot v. Mr. Jagmohan Dhawan & Mr. Chandan Dhawan before the Additional Chief Metropolitan Magistrate 44th Court at Andheri, Bombay [C. C. No. 397 / SS / 06].***

The aforesaid accused had agreed to sell and transfer all their rights, title and interest in respect of a bungalow known as 'J.D. House' for a total consideration of Rs. 31,100,000/- in part payment of which the complainant had issued a cheque for Rs. 200,000/- to the accused. However, the said deal did not materialise and in due discharge of their legal liability, the accused had issued a cheque dated April 5, 2006 bearing number 998532 for Rs. 200,000/-. The said cheque was however dishonoured on April 6, 2006. Thereafter, the complainant issued a statutory notice to the accused calling upon them to pay the amount of Rs. 200,000/-. In spite of the said notice, the accused failed and neglected to make the payment of the dishonoured cheque. Thus, this case has been filed by the complainant on May 23, 2006 under section 138 read with section 142 of the Negotiable Instrument Act, 1881, praying that the accused may be punished with maximum punishment for the said offence. The next date for hearing is September 2, 2006



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***Outstanding Litigation against and by our Company***

**Criminal Cases**

***State of Maharashtra, through Forest Officer, Mumbra v. Atlanta Infrastructure Limited & others (Judicial Magistrate First Class, Thane, Criminal Complaint No. 3497/03)***

The Forest officer in his complaint has alleged that Atlanta Infrastructure has encroached into forestland beyond the area approved for the purpose of construction of roads, that our officers have illegally excavated certain land for rocks and as a result caused damaged to the forest and also that our Company officers forcibly shifted a person into the reserved forest area, which also caused damage to the forest. The matter has been listed for hearing on August 14, 2006.

***State of Maharashtra v. Atlanta Infrastructure Limited (Judicial Magistrate First Class, Thane, Criminal Complaint No. 1556/2001)***

It has been alleged that we have illegally excavated 8667.5 brass of soil from the forest area. The forest officer has filed a complaint in court and the trial is yet to commence in the matter. The matter has been listed for hearing on August 18, 2006.

***State of Maharashtra v. Atlanta Limited (Mumbra Police Station, First Information Report No I/247/05)***

On July 27, 2005 a certain wall made during the construction of Mumbra Bypass was washed away and it made its way into the slums nearby resulting in the death of two persons. The complainant has alleged that this was due to the negligence and weak construction of the wall.

***Mr. Sayyed Asgar Abbas & Another v. Atlanta Infrastructure Limited & Another before the Motor Accident Claims Tribunal, Thane at Thane [M. A. C. Appl. No. 999 of 2005].***

The applicant's son, namely, Mr. Sayyed Meraj Asgar Abbas had expired as a result of a motor vehicle accident on October 22, 2005 on the bypass highway under construction at Kasau, Mumbra in District Thane within the jurisdiction of Mumbra Police Station. The applicant's contend that since the driver of the motor vehicle was doing so under the instructions and with the consent of our Company, the owner of the said motor vehicle, the Owner is vicariously liable for the said accident and the resulting consequences thereof. Thus, this case has been filed praying that our Company be directed to pay the applicants a sum of Rs. 400,000/- as and by way of compensation along with interest @ 18% p.a. and to pay the applicant the cost of this petition. The matter has been listed for hearing on September 12, 2006.

**Civil Cases filed against our Company**

***Bangalore Mahanagara Palike v. M/s. Atlanta Infrastructure Limited, & another (Arbitration Suit No. 46/2003, Additional City Civil Judge, at Bangalore)***

The Bangalore Mahanagara Palike invited tenders in respect of improvement of 21 roads for Rs. 487,576,198/- that was awarded to us. A contract was executed on December 3, 1998 giving effect to the tender. The work order was duly issued on December 4, 1998. The disputes that arose between the parties were referred to arbitration and Justice Shivshankar Bhat was appointed as sole arbitrator by the High Court of Karnataka.

The arbitrator conducted proceedings and made an award on March 22, 2003 directing Bangalore Mahanagara Palike to pay an amount of Rs. 124,634,222/- to us. We filed an application under section 33 of the Arbitration and Conciliation Act for the correction of the award, proper interpretation of terms and/or to make an additional award. The arbitrator made an additional award dated May 31, 2003 by which the amount payable to the company worked out to Rs. 195,201,889/-.

Bangalore Mahanagara Palike has preferred an appeal bearing Arbitration Suit No. 46/2003 under section 34 of the Arbitration and Conciliation Act, 1996 before the Additional City Civil Judge, Bangalore inter alia on the grounds that the dispute was not arbitral, the appointment of arbitrator was bad in law, the additional award was in violation of section 33 of the Act, the tribunal decided issues beyond the scope of the dispute referred.

We have filed a petition bearing Arbitration Suit No. 15002/2003 under section 34 of the Arbitration and Conciliation Act, 1996 praying for grant of interest past, pendente lite and in future till payment on due amounts at 18% per annum, compensation for overheads and loss of productivity and loss of profits. Both the applications are pending before the Additional City Civil Judge, Bangalore. The matter has been listed on August 22, 2006 for hearing.

***Delta Marine Company v. Atlanta Infrastructure Limited & Others (High Court of Orissa, Cuttack, Writ Petition No. 11821/2004)***

We undertook the construction of the National Highway from Bhubneshwar to Khurda. Delta Marine Company was awarded the work of blasting, drilling and transporting rocks from a quarry at Kaipadar, held in lease by one Murali Dehuri. Delta





Marine Company was given Rs. 7,320,000/- as Machinery Advance by our company against three Bank Guarantees amounting to Rs. 7,320,000/-. The working was governed by an agreement dated February 16, 2001.

The lease of the quarry was cancelled and Delta Marine Company was informed to operate at the quarry of one A. K. Patra at Dandhimachha Gadia but Delta Marine Company failed to operate from the said quarry. We then terminated the contract and gave intimation to invoke the bank guarantee. Delta Marine Company then filed the original suit, T.S. No. 176/2001 at the Court of the Civil Judge Senior Division, Khurda for permanent injunction against us encashing Bank Guarantees amounting to Rs. 7,320,000/-. Delta Marine Company filed Interim Application No. 47/2003 praying to the Court to attach the bank guarantees before judgment that was rejected in order dated August 29, 2003. Delta Marine Company then applied for the amendment of the plaint which was seriously contested by us on the ground that the amendment has altered the case considerably and even added new grounds to counter arguments already advanced by us and also to overcome directions passed by the Courts. The Court however allowed the amendment in its order dated July 31, 2003. In Writ Petition No. 8825/2003 we have challenged the abovementioned order on the grounds also mentioned above. The Writ Petition is pending before the High Court of Orissa, at Cuttack.

Interim Application No. 67/2003 was filed by Delta Marine Company praying to the Court to stay the encashment of the bank guarantees, dated August 29, 2003 rejected the prayer of Delta Marine Company observing that there was no prima facie evidence of fraud, and the encashment of Bank Guarantees cannot be stayed as they were unconditional and irrevocable. The abovementioned order was appealed against in F.A.O. No. 16/2003 at the Court of the Ad Hoc Addl. Dist. Judge, Fast Track, Khurda which was also rejected.

We then referred the dispute to arbitration. Delta Marine Company raised an objection to the jurisdiction of the arbitrator, but the proceedings continued nevertheless. The arbitral proceedings are pending before the Arbitrator at Mumbai.

Delta Marine Company then filed applications u/s. 10 and 151 of C.P.C. in Interim Application No. 16/2004 to stay the arbitral proceedings till the disposal of the abovementioned suit. The prayer was allowed by the Civil Judge Senior Division, Khurda that has been challenged in Writ Petition Nos. 9784/2004 and 9786/2004. The abovementioned Writ Petitions are also pending before the High Court at Orissa, at Cuttack.

The final order of the Court in F.A.O. No. 16/2003 dated October 8, 2004 upheld the order of the lower court and observed that there was no prima facie fraud or irretrievable injustice. The order also directs maintenance of status quo. The instant writ petition bearing No. 11821/2004 has been filed by Delta Marine Company under Articles 226 and 227 of the Constitution of India challenging the order dated October 8, 2004 which remains pending.

***M/s. Karnataka Crushers v. Atlanta Infrastructure & others (Court of City Civil Judge, Bangalore, Original Suit No. 5835/1999)***

Karnataka Crushers were sub-contracted a part of the work relating to a contract of improvement of arterial and sub-arterial roads in Bangalore awarded to us. Karnataka Crushers were not able to meet either time frames or quality standards as required by us and later also demobilized men and machinery employed for the job. Karnataka Crushers have filed this suit in order to restrain us from encashing a bank guarantee of Rs. 1,000,000/- furnished by them claiming that they have executed work for an amount of Rs. 2,829,065.78 and the balance payable to them amounts to Rs. 2,037,065.78/-. The matter was listed on August 8, 2006 and is pending hearing.

***National Highways Authority of India v. Prakash Atlanta J. V. (High Court of Delhi, New Delhi, O.M.P No. 39/2004)***

We, as a part of Prakash Atlanta Joint Venture, were awarded a contract for the construction of segment Lucknow By-Pass connecting National Highway 25 and National Highway 28 via National Highway 56 passing through Lucknow city valued at Rs. 1,588,024,413/-. Certain disputes, regarding extra work done, were referred to Dispute Review Expert and subsequently to an arbitral tribunal both of whom passed an award in our favour. National Highways Authority of India has challenged the award in the High Court of Delhi on the grounds of lack of jurisdiction and error of judgment.

***Union of India v. Atlanta Infrastructure Limited (High Court at Madras, Original Petition No. 663/1999)***

The instant petition has been filed by Union of India to set aside an arbitral award directing Union of India to pay to us Rs. 141,250,907.50 together with interest at Rs. 118,436,535.34 totaling to Rs. 259,687,442.89. Further, the arbitrator has ordered payment of interest at 18% on Rs. 141,250,907.50 from June 1, 1999 till date of actual payment. Union of India have alleged inter alia misconduct on the part of the arbitrator. The case was listed for hearing on July 4, 2006 and the same is pending for next hearing at the High Court at Madras.



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***International Airport Authority of India v. M/s. Atlanta Construction Company (High Court of Delhi, New Delhi, O.M.P. No. 110/1997)***

We were awarded the contract for constructing three hangars and ancillary buildings at the Indira Gandhi International Airport. Disputes that arose regarding performance and claims were referred to arbitration. International Airport Authority of India has prayed for extension of time for making and publishing of the award by the arbitrator. The same is pending at the High Court of Delhi.

#### **Labour Cases**

***Rashtriya Public Works Department Employees Union, Nagpur v. The Superintending Engineer & others (Court of Authority under the Minimum Wages Act, at Nagpur, Application No. 1/2001)***

Rashtriya Public Works Department Employees Union, Nagpur has alleged that we have not paid the minimum wages and special allowances to the unskilled labourers we had allegedly employed for construction of roads and bridges. The Rashtriya Public Works Department Employees Union, Nagpur claims an amount of Rs. 1,592,125/- to be due. The claim is pending at the Court of Authority under the Minimum Wages Act. We have denied the allegations of the applicants that we are paying wages less than the minimum amount payable under the Minimum Wages Act and also on the ground that the applicants are not a union registered with the Company. The matter was last heard in June 2006 wherein an Order was passed in our favour. We are yet to receive a copy of the same from the Court.

***Jethmal Rao v. Managing Director, Atlanta Infrastructure Limited (Industrial Tribunal and Labour Court, Bhilwara, Rajasthan, Case No. 15/2005)***

Jethmal Rao claiming to be arbitrarily dismissed from service of Atlanta Infrastructure Limited has filed the present application. He has claimed that an amount of Rs. 123,375.00 is due to him as salary and overtime wages. We contend that he was transferred to company's Mumbra site after the completion of Udaipur project but failed to report to duty at Mumbra and left the company of his own volition. The claim is pending before the Industrial and Labour Court at Bhilwara.

***The Mahamantri, Atlanta Structure Labour Union, Udaipur v. Manager, Atlanta Infrastructure Ltd & another (Industrial Tribunal and Labour Court, Udaipur, Rajasthan, Case No. 24/2000)***

The Atlanta Structure Labour Union has alleged that they had submitted a nine point charter of demands to our Company and that we have not participated in the conciliation proceedings that followed. The Atlanta Structure Labour Union has prayed that the Court may grant their demands as per the charter. Ideal Tollroads Investment and Operation Private Limited later became party to the suit and has submitted that they have taken over the business since July 16, 1999 and also denied the existence of any union.

***The Mahamantri, Atlanta Structure Labour Union, Udaipur v. Atlanta Infrastructure Ltd & others (Industrial Tribunal and Labour Court, Udaipur, Rajasthan, Case No. 14/2000)***

Atlanta Structure Labour Union has alleged that we have committed unfair labour practices by retrenching labourers illegally claiming that we have not complied with statutory requirements. Ideal Tollroads Investment and Operation Private Limited later became party to the suit and has submitted that they have taken over the job of toll collection from Atlanta Infrastructure Limited. Ideal Tollroads Investment and Operation Private Limited has submitted that we have already paid the retrenchment compensation in full to all retrenched labourers and that the retrenchment was carried out in compliance with statutory requirements and that certain labourers were hired on ad hoc basis and they are not eligible for any retrenchment compensations and thus have not been paid. This case is pending at the Industrial Tribunal and Labour Court at Udaipur. The matter has been listed for hearing on September 2, 2006.

#### **Cases filed by the Company**

##### **Civil Cases**

***Atlanta Limited v. Municipal Corporation of Greater Mumbai and Another (Supreme Court of India, SLP No. 5016 of 2006)***

The Municipal Corporation of Greater Bombay had awarded us certain contracts valued at Rs. 22,467,360 by work order dated February 11, 1986. The disputes that arose between us during performance were referred to arbitration and the arbitrator made an award of Rs. 6,656,991 in our favour. The Municipal Corporation of Greater Bombay challenged the arbitration award in Arbitration Petition No. 186/92 in the High Court of Judicature at Bombay wherein the High Court has directed the Corporation for recovery and adjustment from the Bank Guarantee that was provided by us as per the terms of the contracts awarded to us by the Municipal Corporation of Greater Bombay. We have filed this Special Leave Petition in the Supreme



Court of India against the final judgement and order dated December 16, 2005 passed by the High Court of Judicature at Bombay in Appeal Nos. 662 / 1995 in Arbitration Petition No. 184 / 1992 and in Appeal No. 663 of 1996 in Arbitration No. 185 of 1992 and Appeal No. 664 of 1996 in Arbitration Petition No. 186 of 1992. The matter is at admission stage and is pending listing for hearing.

***Atlanta Construction Company (India) Limited & others v. Office of Appropriate Authority & another (High Court at Bombay, Writ Petition No. 1204/1996)***

We acquired the land that is the subject of the dispute in an auction from the Income Tax Department for a sum of Rs.38,500,000.00 and applied for the transfer of the land to Maharashtra Housing and Area Development Authority. They granted permission for transfer on the conditions that a transfer fee be paid and we pay 100% more lease rent. We filed Writ Petition No. 1024/1996 challenging the conditions imposed by Maharashtra Housing and Area Development Authority and the Court in its order dated July 9, 1996 instructed the Income Tax Department and Maharashtra Housing and Area Development Authority to transfer the same within certain time. The Court further modified the order on our request by an order dated December 3, 1997.

The Income Tax Department and Maharashtra Housing and Area Development Authority have not yet transferred the land as per the Court's order. The instant Review Writ Petition has been filed demanding the refund of the sum of Rs. 38,500,000/- alongwith 24% p.a. interest. The same is pending at the High Court at Bombay.

***Atlanta Infrastructure Limited v. Thane Municipal Corporation (Civil Judge Senior Division at Thane, Special Civil Suit No. 267/2002)***

We were awarded a contract on BOT basis for the construction of the Mumbra Bye-Pass Road and for that purpose made applications to the Thane Municipal Corporation duly recommended by the Executive Engineer. Public Works Department along with relevant documents for approval of construction of site office, rest houses and godown. The constructions were carried out as no reply was received from the authority. These constructions were partly demolished by officers of Thane Municipal Corporation. We contend that our constructions were legal as no reply was received within the statutory period of two months deeming the applications passed and thus instituted this suit to declare the constructions to be legal and restrain Thane Municipal Corporation by permanent injunction from further demolishing the same. The order of status quo is in operation. The matter has been listed for hearing on August 22, 2006.

***M/s. Atlanta Construction Company v. International Airport Authority of India & another (High Court of Delhi, New Delhi, O.M.P. No. 88/1996)***

We were awarded the contract for constructing three hangars and ancillary buildings at the Indira Gandhi International Airport. Disputes that arose regarding performance and claims were referred to arbitration. We have applied to the High Court to allow us to amend our claim, lead evidence, clarification of mode and manner of evidence and revocation of the authority of the arbitrator and appointment of an independent person with technical knowledge as arbitrator. The same is pending at the High Court of Delhi.

***M/s. Atlanta Infrastructure Limited v. Mr. J. H. Anilkumar & another (Metropolitan Magistrate's Court No. 10 at Andheri at Bombay, Complaint No. 816/S/2002)***

The instant case relates to a newspaper report published in Deccan Herald on May 26, 2001 that reproduces a letter written by the accused to the Prime Minister and other authorities. It also quotes Mr. Anilkumar saying that we have acquired a bad name in Southern states. We have filed the instant criminal complaint accusing Mr. Anilkumar and the Editor the Deccan Herald Newspaper of defamation submitting that the report was unsubstantiated, unverified and defamatory. The complaint is pending at the Court No. 10 of the Metropolitan Magistrate at Andheri at Bombay.

***M/s. Atlanta Infrastructure Limited v. Thane Municipal Corporation (Court of Civil Judge, Senior Division, Thane, Special Civil Suit No. 117/2001)***

The suit has been instituted to recover dues to the value of Rs. 7,715,607/- arising out of a contract to widen the Pokharan Road No. 2 awarded to us by tender by Thane Municipal Corporation. The suit is pending at the court of the Civil Judge, Senior Division, Thane. The matter has been listed for hearing on September 13, 2006.

***Atlanta Construction Company India Limited v. State of Andhra Pradesh & others (High Court of Andhra Pradesh, Hyderabad, Review W.P.M.P No. 137435/99)***

The issue relates to a tender invited by the Public Works Department of Andhra Pradesh. We submitted a bid for the tender but did not receive any reply for a long time. The Public Works Department, Andhra Pradesh sent us a telegram accepting our bid, but it was not acceptable to us due to the delay. We had filed the Writ Petition No. 852/1991 to restrain the encashment of bank



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guarantees submitted as Earnest Money Deposit amounting to Rs. 3,683,000/- The High Court by its order dated December 4, 1991 dismissed the petition as infructuous. We have filed the instant petition for the restoration of the above writ petition which is pending at the High Court of Andhra Pradesh.

***Atlanta Infrastructure Limited v. Civil Judge Senior Division, Khurda & others (High Court of Orissa, Cuttack, Writ Petition (C) Case Nos. 8825/2003, 9784/2004, 9786/2004)***

The matter bearing Writ Petition (C) Case No. 8825/2003 arises from Delta Marine Company v. Atlanta Infrastructure Limited and others bearing T. S. No. 176/2001, wherein an application for amendment of the plaint by Delta Marine Company was allowed by the Civil Judge Senior Division, Khurda, which we contend as one that sets up a totally new case in order to displace our submissions that had been already advanced and to overcome the observations and directions of the High Court in the matter. We have challenged the order dated July 31, 2003 in the instant writ petition and the same is pending at the High Court of Orissa at Cuttack.

The matter in Writ Petition (C) Case No. 9786/2004 relates to the order in Interim Application No. 26/2004 in T. S. No. 176/2001 rejecting to stay further proceedings in the suit till final disposal of arbitral proceedings before the agreed arbitrator. We have challenged the order dated August 2, 2004 in the instant writ petition and the same is pending before the High Court of Orissa at Cuttack.

In Writ Petition (C) Case No. 9784/2004, we have challenged the order dated August 2, 2004 in Interim Application No. 16/2004 in the case T. S. No. 176/2001 where the Judge has ordered to stay the proceedings in the arbitration pending before the arbitrator at Mumbai between Delta Marine Company and us. The same is pending before the High Court of Orissa at Cuttack.

***Atlanta Limited and others v. the Municipal Corporation of Greater Bombay, Municipal Appeal Stamp No. 471 of 2001 in the Court of Small Causes at Bombay.***

Our Company had filed this appeal against the Order of the Investigating Officer dated February 12, 2001 wherein the rateable value of the property bearing assessment number KE-11336 (2A), 143, Marol House (Parke Davis India Limited) was fixed at Rs. 585,365/- with effect from July 7, 1999 to October 31, 1999 and at Rs. 1,310,670/- with effect from November 1, 1999 onwards. The next date of hearing is October 11, 2006.

***Atlanta Limited and others v. the Municipal Corporation of Greater Bombay, Municipal Appeal Stamp No. 607 of 2002 in the Court of Small Causes at Bombay.***

Our Company had filed this appeal against the Order of the Investigating Officer dated March 13, 2002 wherein the rateable value of the property bearing assessment number KE-11336 (2A), 143, Marol House (Parke Davis India Limited) was fixed at Rs. 1,911,330/- with effect from January 1, 2001.

For the period April 1, 1999 to March 31, 2001, our Company had, against Rs. 4,023,874/-, payable as property tax towards the said property, paid an amount of Rs. 4,642,830/-. Thus there was a surplus payment of Rs. 618,956/- lying with the respondents. Again for the period April 1, 2001 to March 31, 2004, our Company had, against Rs. 6,594,181/-, payable as property tax, paid an amount of Rs. 7,000,000/-. Thus there was a surplus payment of Rs. 405,819/- lying with the respondents. The case was due for filing of written statements on March 30, 2005, which was subsequently adjourned to July 14, 2005. The next date of hearing is September 1, 2006.

***Atlanta Limited v. Sub-Divisional Officer, Thane Division, Thane and others, (Appeal No. 55 of 2006 Deputy Collector at Thane)***

Our Company had been entrusted with the tender of constructing the Mumbra - Pune bypass, which has been under progress for the last seven years. In the course of the said project some villagers and local people have raised objections on the grounds that the Public Works Department has unlawfully acquired their lands. Further, the Mumbra - Kausa region is replete with unauthorized developments and illegal excavation and dumping of soil for the purpose of filling low lying areas.

One such illegal excavation and dumping was noticed by the Circle Officer, Mumbra on Survey No. 108/1/B in Mouje Kausa, District Thane, which was owned and possessed by two of the respondents, namely Mr. Ehsanullah Khan and Mr. Salim Raza Khan. Accordingly, the Tahsildar, Thane was pleased to issue a show - cause notice dated November 21, 2005 to the said respondents under section 48(7) of the Maharashtra Land Revenue Code. The said respondents were duly served with a notice on December 10, 2005 but failed to submit their reply. Hence, the said Tahsildar ordered a penalty of Rs. 3,332,693/-, which was followed by a recovery notice dated January 7, 2006. The said respondents then filed an appeal against the said order and recovery proceedings vide MNL Appeal No. 5/06 before the Sub-Divisional Officer, Thane Division, Thane, alleging that we had dumped the soil on their land without their permission. Subsequently, we were served with a notice to appear in the matter on March 20, 2006, wherein our request for an adjournment was turned down and the order was passed on the same day.



Thereafter, we were served with a notice for recovery of Rs. 3,332,693/- purporting to be the cost of 4837 brass of soil. Our Company being aggrieved by this order, has preferred an appeal praying inter alia that the said order be set aside and that the matter be remanded to a lower court for a fresh hearing after giving us adequate opportunity to file our reply and submissions

**Tax cases filed against our Company**

***The Commissioner of Income Tax, Central III, Mumbai v. M/s. Atlanta Construction Co. (High Court of Bombay at Bombay, Notice of Motion No. 3228/2005)***

The Dispute relates to Assessment Years 1982-83 and 1983-84 where the Assessment Officer had allowed investment allowance amounting to Rs. 107,500/- and Rs. 64,236/- respectively under section 32A of the Income Tax Act but later withdrew it. Both the Commissioner of Income Tax (Appeals) and the Income Tax Appellate Tribunal ruled in our favour. The appeal by the Department of Income Tax is pending before the High Court of Bombay.

***The Commissioner of Income Tax, Central III, Mumbai v. M/s. Atlanta Construction Co. (High Court of Bombay at Bombay, Income Tax Appeal Lodging No. 1681/2005)***

In Assessment Year 1987-88, the assessment officer again did not allow investment allowance under section 32. The Commissioner of Income Tax (Appeals) upheld the order but the Income Tax Appellate Tribunal reversed it. The disputed amounts are Rs. 2,824,310.00 for Assessment Year 1987-88. The Department of Income Tax has filed an appeal challenging the above order in the High Court of Bombay.

***The Commissioner of Income Tax, Central III, Mumbai v. M/s. Atlanta Construction Co. (High Court of Bombay at Bombay, Income Tax Appeal Lodging No. 1680/2005)***

In Assessment Year 1988-89, the assessment officer again did not allow investment allowance under section 32. The Commissioner of Income Tax (Appeals) upheld the order but the Income Tax Appellate Tribunal reversed it. The disputed amounts are Rs. 2,288,200.00 for Assessment Year 1988-89. The Department of Income Tax has filed an appeal challenging the above order in the High Court of Bombay.

***The Commissioner of Income Tax, Central III, Mumbai v. M/s. Atlanta Infrastructure Limited (High Court of Bombay at Bombay, Income Tax Appeal Lodging No. 1682/2005)***

The instant appeal relates to the assessment year 1993-94 where the assessment order disallowed a sum of Rs. 1,689,157.00 out of interest paid on account of diversion of funds to sister concern for non-business purposes. The Commissioner of Income Tax (Appeals) reversed the order and on appeal by the Department of Income Tax, the Income Tax Appellate Tribunal also held in our favour. The appeal is pending before the High Court of Bombay.

***The Commissioner of Income Tax, Central III, Mumbai v. M/s. Atlanta Infrastructure Limited (High Court of Bombay at Bombay, Income Tax Appeal No. 1261/2005)***

The instant appeal relates to the assessment year 1996-97 where the assessment order disallowed a sum of Rs. 1,849,714/- out of interest paid on account of diversion of funds to sister concern for non-business purposes. The Commissioner of Income Tax (Appeals) reversed the order and on appeal by the Department of Income Tax, the Income Tax Appellate Tribunal also held in our favour. The appeal is pending before the High Court of Bombay.

***The Commissioner of Income Tax, Central III, Mumbai v. M/s. Atlanta Infrastructure Limited (High Court of Bombay at Bombay, Income Tax Appeal No. 1264/2005)***

The instant appeal relates to the assessment year 1997-98 where the assessment order disallowed a sum of Rs. 2,096,713/- out of interest paid on account of diversion of funds to sister concern for non-business purposes. The Commissioner of Income Tax (Appeals) reversed the order and on appeal by the Department of Income Tax, the Income Tax Appellate Tribunal also held in our favour. The appeal is pending before the High Court of Bombay.

***Atlanta Infrastructure Limited v. The Sales Tax Officer, Bhubaneshwar (Memo No. 1474 dated August 7, 2004)***

The instant case relates to assessment year 2001-02 where the Sales Tax Officer ordered disallowance under various heads such as administrative expenses, mobilization advance, repair and maintenance expenses under the Orissa Works Contract Act, 1947 amounting to Rs. 2,365,211/-. Our appeal is pending before the Assistant Commissioner of Sales Tax at Bhubaneshwar. The Assistant Commissioner of Sales Tax, Puri Range, Bhubaneshwar has stayed the realisation till the disposal of the appeal on the deposit of Rs. 1,300,000/-, which we have complied with. Thus an amount of 1,065,211.00 remains outstanding.



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## Pending Arbitration

### ***Atlanta Infrastructure Limited and Jalgaon Municipal Corporation (Arbitral Tribunal of Justice Mr. B. C. Gadgil)***

We were awarded the contract of constructing certain pavements and allied works in the development of Jalgaon Airport valued at Rs. 87,128,871/-. The disputes that arose were referred to the present arbitration wherein we have claimed an amount of Rs. 83,229,190/- on account of payment due under terms of contract and loss of overheads, profits, machinery and equipment together with interest and costs as payable to us. The next date of hearing is August 26, 2006.

### ***Atlanta Limited and M/s. Ameya Developers Private Limited, M/s. PBA Infrastructure Limited (Arbitral Tribunal of Mr. Shadilal Chopra at Mumbai)***

Ameya Developers Private Limited, PBA Infrastructure Limited and Our Company entered into a partnership in the name of AAP Construction Company for carrying on business of construction and allied activities. Ameya Developers failed to carry out obligations they had undertaken. The present arbitration has been initiated to settle the final accounts among the partners of AAP Construction Company due to the failure of Ameya Developers to perform their obligations.

### ***Gammon-Atlanta J.V. and National Highways Authority of India (Arbitral Tribunal of Mr. P.B. Vijay, Mr. C. C. Bhattacharya, Mr. R. T. Atre)***

The arbitration arises out of a contract to strengthen and widen the carriageway of National Highway - 5 in Orissa from Khurda to Bhubaneswar. We have incurred losses due to delay, reduced productivity overheads and loss of profits. We have claimed an amount of Rs. 12.31 million per month on account of these losses. The present arbitration has been entered into to determine the amount due to us.

### ***Atlanta Infrastructure Limited and Delta Marine Company (Arbitral Tribunal of Mr. Rajhoo Bbarot)***

The matter in the arbitration arises from the project of construction of the National Highway from Bhubneswar to Khurda. We awarded Delta Marine Company the work of blasting, drilling and transporting rocks from a quarry at Kaipadar, held in lease by one Murali Dehuri. Delta Marine Company was given Rs. 73,20,000/- as Machinery Advance against three Bank Guarantees amounting to Rs. 73,20,000/-. The working was governed by an agreement dated February 16, 2001.

The lease of the quarry was cancelled and Delta Marine Company was informed to operate at the quarry of one A. K. Patra at Dandhimachha Gadia but Delta Marine Company failed to operate from the said quarry. We then terminated the contract and gave intimation to invoke the Bank Guarantee. The disputes in the matter were referred to arbitration by reference dated January 17, 2003. Delta Marine Company has challenged the jurisdiction of the arbitrator. We have claimed an amount of Rs. 40,796,608/- as due to us. The arbitral proceedings were stayed by the order dated August 2, 2004 by the Civil Judge Senior Division, Khurda,

### ***Disputes Pending before the arbitral tribunal of Shri Prafulla Kumar, Shri Murahari Reddy and Shri R. T. Atre, between M/s. Prakash Atlanta Joint Venture and M/s. National Highways Authority of India, New Delhi relating to the construction of the Lucknow Bypass connecting National Highway 25 and National Highway 28 via National Highway 56 passing through Lucknow in Uttar Pradesh***

#### **Case No. 1**

We have contended that as per the drawings, technical specifications and Bill of Quantities, the cost of reinforcement was not included in the contract condition and as a result we must be paid separately for the reinforcement work. We referred the dispute to the Dispute Review Expert and got a favourable order. National Highways Authority of India has referred the dispute to arbitration, as they are not in agreement with the decision of the Dispute Review Expert. The dispute is pending before the arbitral tribunal.

#### **Case No. 2**

National Highways Authority of India made variations from the original work that necessitated deployment of additional resources including machines and materials. The engineer refused to treat the work as additional. The dispute was referred to the Dispute Review Expert who rejected our claims and contentions. Dissatisfied with the decision of the Dispute Review Expert we have referred the dispute to arbitration, which is pending.

### ***Disputes Pending before the authority of the Dispute Resolution Expert, between M/s. Prakash Atlanta Joint Venture and M/s. National Highways Authority of India, New Delhi relating to the construction of the Lucknow Bypass connecting National Highway 25 and National Highway 28 via National Highway 56 passing through Lucknow in Uttar Pradesh.***



**Dispute Nos. 1-7** have been heard and disposed off by the Dispute Review Expert

**Dispute No. 8**

There is a dispute as to whether steel reinforcements are to be paid for separately as per the terms of the agreements and work order.

**Dispute No. 9**

The claim has been filed by Prakash Atlanta Joint Venture to recover expenditure due to certain variations and costs not mentioned in the work order and Bill of Quantities.

**Dispute No. 10**

A dispute arose as to whether construction of kerbs included channels. Prakash Atlanta Joint Venture has prayed that they are separate and thus rates for channels be determined as they have not been mentioned in the rates given.

**Dispute No. 11**

Certain ground improvement was to be carried out, not included in the initial work order. The present dispute has been filed to procure adequate extension of time and costs due to the variation.

**Dispute No. 12**

An extension of time was sought by Prakash Atlanta Joint Venture. The concerned officer extended the time till April 9, 2006 whereas Prakash Atlanta Joint Venture requested an extension till December 31, 2007. On being denied the time, Prakash Atlanta Joint Venture has filed the present claim before the Dispute Review Expert in order to grant the extension of time.

**Dispute No. 13**

Certain variations were needed from the tender description. The claim has been filed to claim the extra costs incurred due to the variations, the value of which amounts to Rs. 78,499,500/-

**Litigation by and against the Promoters and Promoter Group**

***Ambika Trading Corporation v. United Bank of India (Presidency Small Causes Court, Bombay, Suit No. 212/2002)***

Ambika Trading Corporation had leased out the disputed land to United Bank of India by a Draft Indenture of Lease. The Lease Deed was not executed and thus United Bank of India continued to occupy the premises as a monthly tenant. As per the terms of the Draft Indenture of Lease, United Bank of India was supposed to pay an increased rent for occupancy, which it failed to do. Thus Ambika Trading Corporation instituted the present suit for vacation of premises. The suit is pending at the Presidency Small Causes Court at Bombay.

***The Municipal Corporation of Greater Bombay v. M/s. Atul Raj Builders Private Limited (High Court of Bombay at Bombay, Arbitration Petition No. 264/1998)***

The Municipal Corporation of Greater Bombay awarded Atul Raj Builders Private Limited the contract to construct roads. Certain disputes arose during performance due to claims by Atul Raj Builders Private Limited. The disputes were referred to arbitration for settlement. The arbitrator made an award of Rs. 8,875,601.00 in favour of Atul Raj Builders Private Limited. The Municipal Corporation of Greater Bombay has filed the present Notice of Motion in order to set aside the arbitral award.

***Municipal Corporation of Greater Mumbai v. Atul Raj Builders Private Limited & Another before the High Court of Judicature at Mumbai [Appeal Lodging No. 545].***

On September 28, 1989, vide Standing Committee Resolution bearing number 705, respondent no. 1 was awarded a contract for the work in different parts consisting of improving the specified portion with cement concrete, improving of storm water drains, providing quota and asphaltting and shifting and providing of water mains. The tenders were invited by the petitioners and the respondent's tender was accepted as the percentage quoted by them was found reasonable.

On October 11, 1989, a work order was issued to respondent no. 1 and they were instructed to commence the work with effect from October 11, 1989. The time for completion of the work was mentioned in the said work order as eight months from the date of commencement. The said respondent was required to carry out the work in a phased manner including completion of certain preliminaries as required under the Special Directions / Special Conditions of the Contract before commencement of the work.



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In 1990, the respondent no. 1 was given an option to complete the work after the monsoon of 1990 on the same terms and conditions but they refused to complete the work on the said terms and conditions. Further, the respondent no. 1 asked for a 30% rise in the contract amount whereas the contract does not contemplate such escalation.

The respondent no. 1 has raised several claims for losses suffered on account of overheads and profits, idle labour and machinery, compensation for loss suffered on account of wrongful deductions etc. The petitioners refuted the said claims and the dispute was referred to the Arbitrator, who awarded Rs. 21,97,926.91 in favour of the respondents on August 30, 1993. The petitioners then filed arbitration petition bearing number 151 of 1994 challenging the said award, which was consequently dismissed vide award dated February 25, 1997, providing further interest @ 18% p.a. on the said award amount from February 25, 1997 till payment.

The petitioners have filed this appeal in the Bombay High Court.

***National Highways Authority of India v. Prakash - Atlanta Joint Venture and others, OMP No. 339 of 2004 in the High Court of Delhi.***

The petitioner had accepted the item rate tender submitted by us on March 21, 2001 in respect of construction of segment of Lucknow bypass connecting NH-25 and NH-28 via NH-56 passing through Lucknow city. The said tender was accepted for an amount of Rs. 1,588,042,413/-. A formal agreement was entered into on August 10, 2001 and subsequently we mobilized and commenced the work immediately after receipt of the work order.

During the course of execution of the work, certain disputes and differences arose between the petitioner and us with regards to the payment of a separate rate for a Foundation Beam in addition to the rate quoted by us for BOQ item as per the contract. As a result, we referred the dispute to a Dispute Review Expert on July 27, 2002, who, after hearing both the parties, decided in our favour on August 30, 2002.

The petitioner, being dissatisfied with the decision of the Dispute Review Expert, referred the matter for arbitration. The Arbitral Tribunal heard the matter and vide its award dated June 26, 2004 ruled in our favour. Consequently, the petitioner filed this petition under section 34 of the Arbitration and Conciliation Act, 1956 praying inter alia that the said award be set aside. The next date of hearing is September 14, 2006.

**Other than what is mentioned herein above, there are no other cases/ suits / disputes/ penalties levied against our Promoters / our Company/ our Directors/ our Group Companies for violation of any statutory or regulatory law.**

## **MATERIAL DEVELOPMENTS**

Except as stated under the section titled "Management's Discussion and Analysis of Financial Statements and Results of Operations" on page 119 of the Red Herring Prospectus and our financial statements included herein, no material developments have taken place after March 31, 2006, the date of the latest balance sheet, that would materially adversely affect the performance or prospects of our Company. In accordance with SEBI requirements, the Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

## **B. GOVERNMENT/STATUTORY AND BUSINESS APPROVALS**

In view of the approvals listed below, our Company can undertake this Issue and our current business activities. We have received the necessary consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and no further approvals are required for carrying on the present as well as the proposed business except as mentioned below:

1. Certificate of Incorporation No. 11-031852 dated January 17, 1984 issued by the Registrar of Companies, Maharashtra.
2. Certificate of Importer-Exporter Code bearing no. 0388006617 issued on April 1, 1988 by Assistant Director General of Foreign Trade, Ministry of Commerce.
3. Certificate of Registration bearing no. PT/R/1/1/24/9669 dated March 30, 1985 issued by the Profession Tax Officer, Bombay under Section 5 (1) of the Maharashtra State Tax on Profession, Trades, Callings and Employments Act, 1975.
4. Certificate of Registration bearing no. 400049S720 dated April 1, 1996 issued by the Sales Tax Department under the Central Sales Tax (Registration and Turnover) Rules, 1957





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5. Certificate of Registration bearing no. 400049S837 dated April 1, 1996 issued by the Sales Tax Department, Maharashtra under Section 22/22A of the Bombay Sales Tax Act, 1959
6. Certificate of Registration bearing no. LW-0166707 dated September 21, 2001 under Section 55 of the Uttar Pradesh Sales Tax Act, 1948.
7. Certificate of Registration bearing no. LW-5072796 dated September 21, 2001 issued by the Sales Tax Office, Lucknow under the Central Sales Tax (Registration and Turnover) Rules, 1957.
8. Certificate of Registration bearing no. BHC II-3372 (Central) dated May 14, 2004 issued by the Sales Tax Officer, Bhubaneswar under the Central Sales Tax (Registration and Turnover) Rules, 1975. This registration has been renewed for the year 2004-2005.
9. Registration Certificate of Establishment bearing registration no. KE-II/0120030 issued under the Bombay Shops and Establishments Act, 1948. The validity of this registration is for two years from 2006 to 2007.
10. Permanent Account Number AAACA8865E issued by Director of Income Tax (Systems).
11. Tax Deduction Number MUMA21029B issued by the Income Tax Department.
12. Certificate bearing no. MH/35651 dated July 2, 1999 issued by the Assistant Provident Fund Commissioner, Maharashtra & Goa under Employees' Provident Fund Organisation.
13. Certificate of Registration bearing no. BH/II/4280 dated February 15, 2002 issued by the Sales Tax Officer, Bhubaneswar under Section 9/9-A and 9-C of the Orissa Sales Tax Act, 1947. This registration has been renewed for the year 2004-2005.
14. License bearing no. L-II/29/2001 issued under Section 12 (1) of the Contract Labour (Regulation & Abolition) Act, 1970 by the Assistant Labour Commissioner, Bhubaneswar valid from March 27, 2006 to March 26, 2007.
15. Registration Certificate bearing number I 15866.06 dated March 4, 2006 to certify that the Management Systems of our Company have been assessed by International Certifications and found to comply with the requirements of ISO 9001 : 2000 Quality Management Standard. This certification is valid till February 10, 2009.
16. Registration Certification as dealer liable to pay Value Added Tax assigning Tax Identification Number 21961104737 dated January 21, 2006 under section 25 (2)/(5) of the Orissa Value Added Tax Act, 2004.

#### LICENCES APPLIED FOR

1. Application dated December 16, 2005 for renewal of license bearing no. LKO-46 (1-2)/2002/ALC issued under Section 12 (1) of the Contract Labour (Regulation & Abolition) Act, 1970 by the Assistant Labour Commissioner, Lucknow (Prakash-Atlanta Joint Venture).
2. Application dated December 31, 2005 for renewal of license issued under Section 12 (1) of the Contract Labour (Regulation & Abolition) Act, 1970 by the Assistant Labour Commissioner, Mumbai (MMRDA).
3. Application dated December 22, 2005 for amendment in registration certificate bearing no. DC/THN/CLA/SSL/Amend/R/2004 issued by the Deputy Commissioner of Labour and signed by the Company undertaking to abide by the Rules and Regulations of Contract Labour (Regulation & Abolition) Act, 1970 (Mumbra).
4. Application dated March 7, 2005 for renewal of license bearing no. OR-960/EX to possess explosives for use issued subject to provisions of Explosives Act, 1884 by Chief Controller of Explosives for Plot no.2886, district Khurda, Orissa.



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## VII. SECTION: OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for This Issue

The Board of Directors have, pursuant to a resolution passed at its meeting held on March 14, 2006, authorised this Issue, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act.

Our shareholders have authorised this Issue by a special resolution adopted under to Section 81 (1A) of the Companies Act, passed at the Extraordinary General Meeting held on March 16, 2006.

We have also obtained all necessary contractual approvals required for this Issue. For further details, please refer section titled "Government/Statutory and Business Approvals" beginning on page 134 of the Red Herring Prospectus.

### Prohibition by SEBI

Our Company, our Directors, our Promoters, other companies promoted by our Promoters and companies with which our 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.

Further, our Promoters or their relatives have confirmed that they have not been detained as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or are pending against them. Entities of our Group do not appear on the RBI defaulter list, nor are there any violations of securities laws committed by them in the past or pending against them.

### ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for this Issue in accordance with Clause 2.2.1 of the SEBI Guidelines as explained under with eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- Our Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years of which not more than 50% is held in monetary assets and is compliant with Clause 2.2.1(a) of the SEBI Guidelines;
- Our Company has a track record of distributable profits in accordance with Section 205 of Companies Act, for at least three of the immediately preceding five years and is compliant with Clause 2.2.1(b) of the SEBI Guidelines;
- Our Company has a net worth of at least Rs. 10 million in each of the three preceding full years and is compliant with Clause 2.2.1(c) of the SEBI Guidelines;
- Our Company has not changed its name within the last one year
- The proposed Issue size does not exceed five times the pre-Issue net worth of our Company and is compliant with Clause 2.2.1(e) of the SEBI Guidelines.

Our Company's net profit, dividend, net worth, net tangible assets and monetary assets as certified by M/s. Suresh C. Maniar & Co., vide their report dated May 5, 2006 are set forth below:

*(Rs. in million, except percentage of monetary assets)*

Particulars	Year ending March 31, 2006	Year ending March 31, 2005	Year ending March 31, 2004	Year ending March 31, 2003	Year ending March 31, 2002
Net Tangible Assets	2812.55	2202.34	1507.83	1197.98	917.73
Monetary Assets	63.55	64.86	67.05	67.62	35.09
Percentage of Monetary Assets	2.26	2.95	4.45	5.64	3.82
Distributable Profit	151.90	49.95	33.10	32.89	24.11
Networth	657.78	353.92	239.89	193.55	189.43

Our Company undertakes that the number of allottees in this Issue shall be at least 1,000. Otherwise, the entire application money shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.



## DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, KARVY INVESTOR SERVICES LIMITED HAS 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, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, KARVY INVESTOR SERVICES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, KARVY INVESTOR SERVICES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 18, 2006 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

“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.

ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THIS 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 Public 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; and
  - c) the disclosures made in the Draft Red Herring Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed Public Issue.
3. We confirm that besides ourselves, all the intermediaries named in the Draft Red Herring Prospectus are registered with SEBI and that till date such registration is valid.
  4. When underwritten we shall satisfy ourselves about the worth of the underwriters to fulfill their underwriting commitments.
  5. We certify that written consent from shareholders has been obtained for inclusion of their securities as part of promoters' contribution subject to Lock-in and the securities proposed to form part of promoters' contribution subject to lock-in, will not be disposed / sold/ transferred by the promoters during the period starting from the date of filing the Draft Red Herring Prospectus with the Board till the date of commencement of Lock-in period as stated in the Draft Red Herring Prospectus.

All legal requirements pertaining to this issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Maharashtra at Mumbai, in terms of Section 56, Section 60 and Section 60b of the Companies Act.



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**The filing of the Draft Red Herring Prospectus does not, however, absolve the company from any liabilities under Section 63 and Section 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in the Draft Red Herring Prospectus.**

#### **Disclaimer Statement from the Company and the BRLMs**

Investors that Bid in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Our Company and the BRLMs accept no responsibility for statements made otherwise than in the Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above, mentioned entities and anyone placing reliance on any other source of information, including our website, [www.atlantainfra.com](http://www.atlantainfra.com), would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Underwriting Agreement to be entered into between the Underwriters and the Company and the Memorandum of Understanding between the BRLMs and the Company.

Our Company and the BRLMs shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centers etc.

Neither our 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.

#### **CAUTION / GENERAL DISCLAIMER**

Investors may note that the Company and the BRLMs accept no responsibility for statements made otherwise than in the Red Herring Prospectus or in the advertisements or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his/her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLMs and the Company.

All information shall be made available by the Company and the BRLMs to the investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including in research or sales reports.

#### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares). The Red Herring Prospectus does not, however, constitute an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an issue or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or her self about and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public issuing in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations and the Red Herring Prospectus has been filed with Registrar of Companies, Maharashtra as per the provisions of the Companies Act. Accordingly, the Equity Shares, represented thereby may not be issued or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.



### **Disclaimer Clause of Bombay Stock Exchange Limited**

Bombay Stock Exchange Limited ("BSE") has given by its letter dated April 24, 2006, permission to the Company to use BSE's name in this offer document as one of the stock exchanges on which the Company's securities are proposed to be listed. BSE has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
2. Warrant that this company's securities will be listed or will continue to be listed on BSE; or
3. 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 BSE. Every person who desires to apply for or otherwise acquires any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **Disclaimer Clause of the National Stock Exchange of India Limited**

As required, a copy of the Draft Red Herring Prospectus has been submitted to the National Stock Exchange of India Limited ("NSE"). NSE has given vide its letter No. NSE/LIST/21905 dated May 4, 2006 and NSE/LIST/27332-J dated August 10, 2006 permission to the Company to use the NSE's name in this Red Herring Prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed subject to, the Company fulfilling the various criteria for listing including the one related to paid up capital (i.e. the paid up capital shall not be less than Rs. 100 million and market capitalization shall not be less than Rs. 250 million at the time of the listing). NSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription or acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

### **Filing**

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the Registrar of Companies, Maharashtra at Mumbai. A copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration with Registrar of Companies, Maharashtra. A copy of the Draft Red Herring Prospectus has been filed with the Corporation Finance Department of SEBI at Ground Floor, Mittal Court, "A" Wing, Nariman Point, Mumbai - 400 021.

### **Listing**

Applications have been made to Bombay Stock Exchange Limited and The National Stock Exchange of India Limited for permission to deal in and for an official quotation of our Equity Shares. BSE shall be the Designated Stock Exchange.

If the permission to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

We shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven working days of finalisation and adoption of the Basis of Allotment for this Issue.

### **Consents**

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to this Issue; and (b) Book Running Lead Managers to this Issue and Syndicate Members, Escrow Collection



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Banks, Registrar to this Issue and legal advisors to the Company and Underwriters, to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, Maharashtra at Mumbai as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the Registrar of Companies, Maharashtra.

M/s. Suresh C. Maniar & Co., Chartered Accountants, our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the Registrar of Companies, Maharashtra.

M/s. Suresh C. Maniar & Co., Chartered Accountants, have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in the Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of the Red Herring Prospectus for registration with the Registrar of Companies, Maharashtra.

### Expert Opinion

We have not received any expert opinion apart from whatever is already mentioned in the Red Herring Prospectus.

### Expenses of the Issue

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

(Rs. in million)

Activity	Expenses	% of Issue Expenses	% of Issue Size
Lead management, underwriting and selling commission*	[●]	[●]	[●]
Advertisement and marketing expenses**	[●]	[●]	[●]
Printing, stationery including transportation of the same	[●]	[●]	[●]
Other (Registrar's fees, legal fees, listing fees, etc.)**	[●]	[●]	[●]
Total Estimated Issue Expenses	[●]	[●]	[●]

\* Will be incorporated after finalization of the Issue Price

\*\* Will be incorporated at the time of filing Red Herring Prospectus with the RoC.

### Fees Payable to the Book Running Lead Managers

The total fees payable to the Book Running Lead Managers including brokerage and selling commission for this Issue will be as stated in the Engagement Letter executed between our Company and the BRLMs dated February 8, 2006, copy of which is available for inspection at our Registered Office.

### Fees Payable to the Registrar to this Issue

The fees payable to the Registrar to this Issue will be as per the memorandum of understanding dated February 8, 2006, a copy of which is available for inspection at our Registered Office.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

### Underwriting Commission, Brokerage and Selling Commission

The Underwriting Commission and Selling Commission for this Issue is as set out in the Syndicate Agreement amongst our Company, the BRLMs and Syndicate Members. The Underwriting Commission shall be paid as set out in the Underwriting Agreement based on the Issue Price and amount underwritten in the manner mentioned in the Red Herring Prospectus.

### Previous Rights and Public Issues

We have not made any previous rights or public issues during the last five years.

### Issues otherwise than for Cash

Except as stated in the section titled "Capital Structure" beginning on page 13 of the Red Herring Prospectus, we have not issued any Equity Shares for consideration otherwise than for cash.

### Commission and Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since inception.

**Particulars in regard to the Company and other listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956, which made any capital issue during the last three years.**

There are no listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956, which has made any capital issue during the last three years.

**Promise versus Performance - Previous Issues of Group Companies.**

Our Company has not made any public issue of shares since its incorporation. None of the Group Companies have made any public issues in the past.

**Outstanding Debentures, Bonds and Preference Shares**

There are no outstanding debentures or bonds of our Company

Our Company, during the year 2005-06, issued 1,500,000 25% Non-Cumulative Redeemable Preference shares of Rs. 10/- at a premium of Rs. 40/- each which are redeemable at Rs. 50/- per share after 15 years or at any time at the sole discretion of our Company in terms of Agreement dated 28th March, 2005. Total outstanding Non-Cumulative Redeemable Preference Shares as on March 31, 2006 is Rs. 25 million.

**Stock Market Data for our Equity Shares**

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

**Other Disclosures**

Our Promoters, Group Companies, or the directors of our Group Companies or our Directors have not purchased or sold any securities of our Company during a period of six months preceding the date on which the Red Herring Prospectus is filed with RoC, except as disclosed in section titled "Notes to Capital Structure" beginning on page 14 of the Red Herring Prospectus.

**Mechanism for redressal of investor grievance**

The agreement between the Registrar to this Issue and our Company will provide for retention of records with the Registrar to this Issue for a period of at least one year from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

The average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has formed an Investor Grievance Committee on December 20, 2005 chaired by Mr. Arpan Brahmhatt with Mr. Rajhoo Bbarot and Mr. G. Radhakrishnan as members. Our Company has also appointed Mr. Sachin Jain as the Compliance Officer for this Issue.

**Disposal of Investor Grievances by the Company**

We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Sachin Jain, Company Secretary as the Compliance Officer and he may be contacted at Atlanta Limited, 101, Shree Ambashanti Chambers, Opposite Leela Hotel, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059, Tel: +91 22 2838 2929; Fax: + 91 22 2838 2900. Investors may contact him in case of any pre-Issue or post-Issue problems.

**Changes in Auditors during the last three financial years and reasons therefor**

There have been no changes of the Auditors of our Company in the last three years.

**Capitalisation of Reserves or Profits**

Except as stated in the section titled "Capital Structure" our Company has not capitalised its reserves or profits at any time since inception. For details on Capitalisation of Reserves and Profits please refer to section titled "Capital Structure" beginning on page 13 of the Red Herring Prospectus.

**Revaluation of Assets**

Our Company has revalued its assets in the past five years, the details of which are as follows:

Year Ended	Particulars of Fixed Assests	Original Cost	Revalued Cost	Difference added to Fixed Assets
March 31, 2002	Plot of Land	6,450,000	74,496,562	68,046,562



**VIII. SECTION: ISSUE RELATED INFORMATION**

**ISSUE STRUCTURE**

Issue of 4,300,000 Equity Shares of face value Rs. 10/- each at a price of Rs. [●]/- for cash aggregating Rs. [●] million (hereinafter referred to as this “Issue”), including an Employee Reservation Portion of 200,000 Equity Shares for subscription by the Employees at the Issue Price, and the Issue would constitute 26.38% of the post Issue paid-up capital of our Company. This Issue will comprise 4,300,000 Equity Shares of face value Rs.10/- each at a price of Rs. [●]/- per Equity Share, aggregating Rs. [●] million.

The Issue is being made through the 100% Book Building Process:

	<b>Employees</b>	<b>QIBs</b>	<b>Non-Institutional Bidders</b>	<b>Retail Individual Bidders</b>
Number of Equity Shares*	Up to 200,000 Equity Shares	Upto 2,050,000 Equity Shares shall be available for allocation to QIBs.	Not less than 615,000 Shares shall be available for allocation.	Not less than 1,435,000 Equity Shares shall be available for allocation.
Percentage of Issue Size available for allocation	Up to 10% of the Issue	Upto 50% of the Net Issue (of which 5% shall be reserved for Mutual Funds) * Mutual Funds participating in the 5% reservation in the QIB Portion (i.e. 102,500 Equity Shares) will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Net Issue. *	Not less than 35% of the Net Issue.*
Basis of allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate	Proportionate
Minimum Bid	45 Equity Shares and thereafter in multiple of 45 Equity Shares	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000/- and in multiples of 45 Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000/- and in multiples of 45 Equity Shares thereafter.	45 Equity Shares and in multiples of 45 Equity Share thereafter
Maximum Bid	Not exceeding 200,000 Equity Shares	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Such number of Equity Shares per Retail Individual Bidder so as to ensure that the Bid Amount does not exceed Rs. 100,000/-
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share





	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Who can Apply **	a) Permanent Employees of the Company as on the date of filing the Draft Red Herring Prospectus; and b) A Director of the Company (whether a whole-time, part time Director or otherwise) except for Directors who are a part of the Promoter Group.	Public Financial Institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, Mutual Funds, Foreign Institutional Investor registered with SEBI, Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors registered with SEBI, State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, societies and trusts	Individuals (including NRIs and HUFs in the name of karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000/- in value.
Terms of Payment	Full Bid Amount on Bidding unless waived by members of the Syndicate.	Margin Amount applicable to QIB Bidders at the time of submission of Bid-cum-Application Form to the Member of Syndicate.	Margin Amount applicable to Non-Institutional Bidder at the time of submission of Bid-cum-Application Form to the Member of Syndicate.	Margin Amount applicable to Retail Individual Bidder at the time of submission of Bid-cum-Application Form to the Member of Syndicate.
Margin Amount	Full Bid Amount on Bidding	10% of the Bid Amount in respect of bids placed by QIB Bidder on Bidding.	Full Bid Amount on Bidding.	Full Bid Amount on Bidding.

\* Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spillover inter-se from any of the other categories, at the sole discretion of our Company, the BRLMs and subject to applicable provisions of the SEBI Guidelines.

\*\* 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 in the same sequence in which they appear in the Bid-cum-Application Form.

**If the aggregate demand by Mutual Funds is less than 102,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund reservation will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids. The unsubscribed portion, if any, out of the Equity Shares reserved for allotment to Employees will be added back to the Net Issue and the same would be allocated proportionately by our Company in consultation with the BRLMs.**

**Bidding Period / Issue Period**

<b>BID / ISSUE OPENS ON</b>	<b>September 01, 2006 (Friday)</b>
<b>BID / ISSUE CLOSES ON</b>	<b>September 07, 2006 (Thursday)</b>

Bids and any revision in bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid-cum-Application Form except that on the Bid/Issue Closing Date, the Bids shall be accepted only between 10 a.m. and 1 p.m. (Indian Standard Time) or uploaded till such time as may be permitted by the BSE and NSE on the Bid/Issue Closing Date.



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**The Price Band will be decided by our Company in consultation with the BRLMs.**

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band, subject to the Bidding Period / Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE by issuing a press release, and also by indicating the change on the web site and at the terminals of the members of the Syndicate.

**TERMS OF THE ISSUE**

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of the Company, the terms of the Red Herring Prospectus, Bid-cum-Application Form, the Revision Form, 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 this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to this Issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies and/or other authorities, as in force on the date of this Issue and to the extent applicable.

**Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank *pari passu* in all respects with the other existing Equity Shares of the Company including rights in respect of dividend. The Allottees will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of Allotment. See the section titled “Main Provisions of the Articles of Association of our Company” beginning on page 169 of the Red Herring Prospectus for a description of the Articles of Association.

**Mode of Payment of Dividend**

We shall pay dividend to our shareholders as per the provisions of the Companies Act, 1956.

**Face Value and Issue Price**

The Equity Shares with a face value of Rs. 10/- each are being issued in terms of the Red Herring Prospectus at a price of Rs. [●]/- per share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws.

**Compliance with SEBI Guidelines**

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

**Rights of the Equity Shareholder**

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Articles of Association of our Company.

For further details on the main provisions of our Company’s Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see “Main Provisions of the Articles of Association of the Company” beginning on page 169 of the Red Herring Prospectus.



### **Market Lot**

In terms of Section 68B of the Companies Act, the Equity Shares of our Company shall be allotted only in dematerialized form. In terms of existing SEBI Guidelines, the trading in the Equity Shares of our Company shall only be in dematerialized form for all investors.

**Since trading of our Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share.**

Allocation and allotment of Equity Shares through this Issue will be done only in electronic form in multiples of one Equity Share to the successful Bidders subject to a minimum Allotment of 45 Equity Shares.

### **Jurisdiction**

The jurisdiction for the purpose of this Issue is with competent courts/authorities in Mumbai, India.

### **Nomination Facility to the Investor**

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating.

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 be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other 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 this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.**

### **Minimum Subscription**

“If our Company does not receive the minimum subscription of 90% of the Net Issue to public including devolvement of Underwriters within 60 days from the date of closure of this Issue, the company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.”

If the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate of 15% per annum for the delayed period.

### **Withdrawal of the Issue**

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

### **Arrangements for Disposal of Odd Lots**

Our Company's shares will be traded in dematerialized form only and therefore the marketable lot is one share. Therefore there is no possibility of odd lots.



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### **Restriction On Transfer And Transmission Of Shares**

Nothing contained in the Articles of Association of our Company shall prejudice any power of our Company to refuse to register the transfer of any share.

No fee shall be charged for sub-division and consolidation of share certificates (physical form), debenture certificates and detachable warrants and for sub-division of letters of allotment and split, consideration, renewal and pucca transfer receipts into denomination corresponding to the market units of trading.

### **Application by Non Residents/NRIs/FIIs**

There is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Fund applicants will be treated on the same basis as other categories for the purpose of allocation.

**As per the policy of the RBI, Overseas Corporate Bodies cannot participate in this Issue.**

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 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 or to, or for the account of benefit of, "U.S. Persons" (as defined in the Regulation S of the Securities Act), except pursuant to any exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.**



## ISSUE PROCEDURE

### Book Building Procedure

This Issue is being made through the 100% Book Building Process wherein upto 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the members of the Syndicate. However, the Bids by QIB shall be submitted only to the BRLMs. In case of QIB Bidders, our Company in consultation with the BRLMs may reject Bids at the time of acceptance of the Bid-Cum-Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Bids under the Non-Institutional Portion, Bids under the Retail Portion and Bids under Employee Reservation Portion, Bids would not be rejected except on technical grounds listed in the Red Herring Prospectus.

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

**QIBs are not allowed to withdraw their Bid after the Bid/ Issue Closing Date and are now required to pay 10% Margin Amount upon submission of their Bid.**

### Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple bids. Upon the allocation of Equity Shares, dispatch of the Confirmation of Allocation Note (“CAN”), and filing of the Prospectus with the Registrar of Companies, Maharashtra, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the Registrar of Companies, Maharashtra and as would be required by Registrar of Companies, Maharashtra after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-cum-Application Form
Indian public or NRI applying on a non-repatriation basis	White
Non-residents including NRIs, FIIs, Foreign Venture Capital Fund/ Multilateral and Bilateral Development Financial Institutions applying on repatriation basis	Blue
Permanent Employees of the Company.	Green

### Who can Bid

1. Indian nationals resident in India who are majors, in single or joint names (not more than three);
2. 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;
3. Companies and corporate bodies not having majority ownership and control of persons resident outside India and societies registered under the applicable laws in India and authorised to invest in the Equity Shares;
4. Indian Mutual Funds registered with SEBI;
5. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations, as applicable);
6. Venture Capital Funds registered with SEBI;



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7. Foreign Venture Capital Investors registered with SEBI;
8. State Industrial Development Corporations;
9. Multilateral and bilateral development financial institutions;
10. Eligible NRIs and other Non Residents including FIIs on a repatriation basis or non-repatriation basis subject to applicable laws; and
11. Insurance companies registered with the Insurance Regulatory and Development Authority;
12. Provident funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in Equity Shares;
13. Pension funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in Equity Shares;
14. Trust/ society registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/ society and who are authorised under their constitution to hold and invest in Equity Shares; and
15. Scientific and/ or industrial research organizations authorised to invest in Equity Shares.

**Note: The BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.**

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 the relevant regulations or statutory guidelines.

### **HOW TO APPLY - AVAILABILITY OF FORMS, RED HERRING PROSPECTUS AND MODE OF PAYMENT APPLICATION BY MUTUAL FUNDS**

**As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:**

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund portion. In the event that the demand is greater than 102,500 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB portion, after excluding the allocation in the Mutual Fund portion.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under its scheme should own more than 10% of any company's paid-up capital carrying voting rights. Further, Bidders may bid as per the limits prescribed above.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple bids provided that the Bids clearly indicate the name of scheme concerned for which the Bid has been made. The application made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

### **APPLICATION BY NRIs**

Bid-cum-Application Forms have been made available for NRIs at the Registered Office of our Company.

NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (white in colour). All instruments accompanying Bids shall be payable in Mumbai only.

### **APPLICATION BY FIIs**

***As per current regulations, the following restrictions are applicable for investment by FIIs:***

The issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of our Company (i.e. 10% of 1,630,000 Equity Shares). In respect of an FII investing in Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of our Company. As of now, the aggregate FII holding in our Company cannot exceed 24 % of the total issued capital of the Company. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as of this date, no such resolution has been recommended for adoption.

**BIDS BY NRIs OR FIIs ON A REPATRIATION BASIS**

Bids and revision to Bids must be made:

- On the Bid-cum-Application Form or Revision Form, as applicable, (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In single or joint names (not more than three).
- Bids by NRIs for a Bid Amount of up to less than Rs. 100,000 would be considered under the Retail Individual Bidders Portion for the purposes of allocation and Bids for a Bid Amount of more than or equal to Rs. 1,00,000 would be considered under Non Institutional Bidder Portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of 45 Equity Shares thereafter so that the Bid Amount exceeds Rs. 100,000; for further details, please refer to the sub-section titled “Maximum and Minimum Bid Size” beginning on page 149 of the Red Herring Prospectus.
- In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals or their nominees or OCBs.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money payable upon submission of the Bid-cum-Application Form or Revision Form through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be despatched by registered post/speed post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**APPLICATION BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

**As per the current regulations, the following restrictions are applicable for investments by SEBI registered Indian VCFs:**

The SEBI (Venture Capital Funds) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI. Accordingly, the holding by any individual venture capital investor registered with SEBI, should not exceed 25% of our Company’s paid up capital. The aggregate venture capital funds registered with SEBI could, however go up to 100% of our Company’s paid up equity capital. In addition, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund / foreign venture capital investor.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

**It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Resident, NRI, FII and Foreign Venture Capital Fund applicants will be treated on the same basis with other categories for the purpose of allocation.**

**Maximum and Minimum Bid Size**

- For Retail Individual Bidders:** The Bid must be for a minimum of 45 Equity Shares and in multiples of 45 Equity Shares thereafter, so as to ensure that the Bid amount payable by the Bidder does not exceed Rs. 100,000/-. In case the maximum Bid amount is more than Rs. 100,000 due to revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- For Non-Institutional Bidders and QIBs Bidders:** The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds Rs. 100,000/- and in multiples of 45 Equity Shares thereafter. A Bid cannot be submitted for more than the size of this Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date.



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- (c) **For Employees of the Company:** The Bid must be for a minimum of 45 Equity shares and in multiples of 45 thereafter, subject to a maximum Bid for 200,000 Equity Shares. Bidders in the Employee Reservation portion may bid at Cut-Off Price where the value of the Bid is less than Rs. 100,000/- and allotment will be on a proportionate basis.

**In case of revision of bids, the Non Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 100,000/-. In case the Bid Amount reduces to Rs. 100,000/- or less, due to a revision in Bids, the same would be considered for allocation under the Retail Investors Portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at 'Cut-Off'.**

### Information for Bidders

- (a) Our Company will file the Red Herring Prospectus with the Registrar of Companies, Maharashtra at least 3 (three) working days before the Bid / Issue Opening Date.
- (b) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid-cum-Application Form can obtain the same from our corporate office or from any of the BRLMs/Syndicate Members.
- (c) Investors who are interested in subscribing for our Company's Equity Shares should approach any of the BRLMs or Syndicate Member or their authorised agent(s) to register their Bid.
- (d) The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the members of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

### Method and Process of Bidding

- a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with Registrar of Companies, Maharashtra and also publish the same in one English national newspaper, one Hindi national newspaper and one regional language newspaper. This advertisement shall contain the disclosures as prescribed in Schedule XX-A of the SEBI Guidelines, as amended from time to time. The BRLMs and Syndicate Members shall accept Bids from the Bidders during the Issue Period.
- b) Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorized agent (s) to register their Bid.
- c) The Bidding Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) and one regional language newspaper by indicating on the websites of the BRLMs 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 10 working days.
- d) Each Bid-cum-Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" on page 151 of the Red Herring Prospectus) and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
- e) The Bidder cannot bid on another Bid-cum-Application Form after his or her Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate will be treated as multiple bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Build up of the Book and Revision of Bids" beginning on page 153 of the Red Herring Prospectus.
- f) During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids.





- g) Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph “Terms of Payment” beginning on page 152 of the Red Herring Prospectus.
- h) The BRLMs and Syndicate Member 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. It is the responsibility of the Bidder to obtain the TRS from the members of the Syndicate.

#### **Bids at Different Price Levels**

- (a) The Price Band has been fixed at Rs. 130/- to Rs. 150/- per Equity Share of Rs. 10/- each, Rs.130/- being the Floor Price and Rs. 150/- being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re 1/-. In accordance with SEBI Guidelines, our Company in consultation with the BRLMs can revise the Price Band by informing the Stock Exchanges, releasing a press release, disclosure on the website of the members of the Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Issue will be kept open for a period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days. Our Company in consultation with BRLMs can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- (b) The Bidders can bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. **Retail Individual and Employee Bidders may Bid at “Cut-off” where the value of the Bid is less than Rs. 100,000/-.** However, bidding at “Cut-off” is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.
- (c) Retail Individual Bidders, who bid at the Cut-Off, agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders shall receive the refund of the excess amounts from the Escrow Account.
- (d) The Price Band can be revised during the Bidding Period in which case the maximum revisions on either side of the Price Band shall not exceed 20% of the Cap Price and the Floor Price disclosed in the Red Herring Prospectus.
- (e) Any revision in the Price Band shall be widely disseminated including by informing the Stock Exchanges, issuing a press release and making available this information on the Bidding terminals.
- (f) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 45 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/-.
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at Cut Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band, 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 category in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut off.
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut Off price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

#### **Option to Subscribe**

Equity Shares being offered through the Red Herring Prospectus can be applied for in dematerialized form only.

#### **Escrow Mechanism**

##### **Escrow Account for the Issue**

Our Company shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account for this Issue. The



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Escrow Collection Banks will act in terms of the Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Account for this Issue shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with our Company. Payments of refunds to the Bidders shall also be made from the Escrow Collection Banks as per the terms of the Escrow Agreement with our Company and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, the Registrar to the Issue and BRLMs, and Syndicate Members to facilitate collection from the Bidders.

### **Terms of Payment and Payment into the Escrow Collection Account**

In case of Non-institutional Bidders and Retails Individual Bidders, each Bidder shall, with the submission of the Bid-cum-Application Form draw a cheque or demand draft for the maximum amount of his Bid in favour of the Escrow Account of the Escrow Collection Bank (for details refer to the paragraph "Payment Instructions on page 159 of the Red Herring Prospectus and submit the same to the members of the Syndicate with whom the Bid is being deposited. Bid-cum-Application Forms accompanied by cash and Stock invest shall not be accepted. The maximum Bid Price has to be paid at the time of submission of the Bid-cum-Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account or Refund Account with the Bankers to the Issue, as applicable. The balance amount after transfer to the Issue Account shall be held for the benefit of the Bidders who are entitled to refunds on the Designated Date, and not later than 15 days from the Bid Closing Date / Issue Closing Date, the Escrow Collection Bank(s) shall refund all monies to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

In case of QIBs, each QIB shall, with the submission of the Bid-cum-Application Form draw a cheque or demand draft for 10% of the maximum amount of his Bid in favour of the Escrow Account of the Escrow Collection Bank. The balance amount shall be payable for the allocated Equity Shares no later than the date specified in the CAN, which shall be subject to a minimum period of two days from date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the application of the Bidder is liable to be rejected and the Margin Amount will be refunded. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid-cum-Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which and our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

### **Electronic Registration of Bids**

- (a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one on-line connectivity to each city where a stock exchange is located in India and where Bids are accepted
- (b) NSE and BSE will offer a screen-based facility for registering Bids for this Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding Period. Members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid Closing Date, the Syndicate members shall upload the Bids till such time as may be permitted by the Stock Exchanges
- (c) Aggregate demand and price for Bids registered on the electronic facilities of NSE and BSE will be uploaded on a half hourly basis, consolidated and displayed on-line at all bidding centers. A graphical representation of consolidated demand and price would be made available at the bidding centers during the Bidding Period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the online system:



- Name of the investor (Investors should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case, the Bid-cum-Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form).
  - Investor Category - Employee, Individual, Corporate, NRI, FII, or Mutual Fund, etc.
  - Numbers of Equity Shares bid for
  - Bid Price
  - Bid-cum-Application Form number
  - Whether payment is made upon submission of Bid-cum-Application Form
  - Margin Amount; and
  - Depository Participant Identification No. and Client Identification No. of the Demat Account of the Bidder
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company;
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind;
- (g) The members of the Syndicate have the right to review the Bid. The Syndicate Members have the right to reject a bid received from a QIB at the time of receipt of Bids. However, a Syndicate Member(s) shall disclose the reason for not accepting the Bid to the Bidder. In case of Non-Institutional Bidders, bids under the Employee Reservation Portion and Retail Individual Bidders, Bids shall not be rejected except on the technical grounds listed on page no. 161 in the Red Herring Prospectus;
- (h) It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and BRLMs are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company;
- (i) It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and BSE; and
- (j) Bids not uploaded to the online IPO system of BSE / NSE shall not be considered for allocations / allotment.

#### **Build Up of the Book and Revision of Bids**

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.
- (c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid Price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.



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- (f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIBs, the members of the Syndicate shall collect the payments in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- (h) In case of discrepancy of data between NSE or BSE and the Syndicate Member, the decision of the BRLMs based on physical records of Bid-cum-Application Forms shall be final and binding to all concerned.

### Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLMs will analyze the demand generated at various price levels and discuss pricing strategy with us.
- (b) Our Company, BRLMs shall finalise the "Issue Price" and the number of Equity Shares to be allotted.
- (c) The allocation for QIBs, upto 50% of the Net Issue, of which 5% shall be reserved for Mutual Funds would be proportionate. The allocation to Non-Institutional Bidders, and Retail Individual Bidders of not less than 15% and 35% of the Net Issue, respectively, would be on proportionate basis, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- (d) Under subscription, if any, in Non-Institutional and Retail categories would be allowed to be met with spill over from any of the other categories at the discretion of our Company and the BRLMs. However, if the aggregate demand by Mutual Funds is less than 102,500 Equity Shares, 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 QIB Bidders in proportion to their Bids. Any under subscription in the Equity Shares reserved for allocation to Bidders in the Employee Reservation Portion would be treated as part of the Net Issue to the public and allocation in accordance with the Basis of Allocation.
- (e) Allocation to NRIs, FIIs, foreign venture capital funds, Multilateral and Bilateral Development Financial Institutions registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by RBI while granting permission for allotment of Equity Shares to them.
- (f) The BRLMs, in consultation with us, shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) Our Company reserves the right to cancel this Issue any time after the Bid/Issue Opening Date but before allotment.
- (h) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the closure of Bidding.
- (i) The allotment details shall be put on the website of the Registrar to the Issue.

### Signing of Underwriting Agreement and Filing with Registrar of Companies, Maharashtra

- (a) The Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.
- (b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with Registrar of Companies, Maharashtra, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

### Filing of the Prospectus with ROC

The Company will file a copy of the Prospectus with the Registrar of Companies, Maharashtra at Mumbai 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, our Company shall after receiving final observations, if any, on the Draft Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines in an English national newspaper with wide circulation, one Hindi national newspaper with wide circulation and a regional language newspaper with wide circulation in Mumbai.



### Issuance of Confirmation of Allocation Note (CAN)

After the determination of Issue Price, the following steps would be taken

- (a) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMs or Registrar to the Issue shall send to the Syndicate Member a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail Individual and Non-Institutional Bidders. However, Bidders should note that the Company shall ensure that the date of Allotment of the Equity Shares to all Bidders, in all categories, shall be done on the same date.
- (b) The BRLMs or Syndicate Members would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow 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 the Bid amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be a deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.

### 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. This shall be followed by a physical book prepared by the Registrar on the basis of Bid-cum-Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI 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 required to be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

### Designated Date and Allotment of Equity Shares

- (a) After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, we would ensure allotment of the Equity Shares to the allottees within two days of the finalisation and adoption of the basis of allotment.
- (b) All allottees will receive credit for the Equity Shares directly in their depository account. **Equity Shares will be issued only in the dematerialized form to the allottees.** Allottees will have the option to re-materialize the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

**We would ensure the allotment of Equity Shares within 15 days of Bid/Issue Closing Date and also ensure that credit is given to the allottees' depository accounts within two working days from the date of allotment. In case the Company fails to make allotment or transfer within 15 days of the Bid / Issue Closing Date, interest would be paid to the investors at the rate of 15% p.a.**

### GENERAL INSTRUCTIONS

#### Do's:

- a) Check if you are eligible to apply;
- b) Complete the Bid-cum-Application Form after reading all the instructions carefully;



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- c) Ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only;
- d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;
- e) Ensure that you have been given a TRS for all your Bid options;
- f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- g) Ensure that the bid is within Price Band;
- h) Investors must ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case, the Bid-cum-Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same sequence as they appear in the Bid-cum- Application Form;
- i) 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 a copy of your PAN card with the Bid-cum-Application Form. In case the PAN has not been allotted, mention "Not Allotted" in the appropriate place.
- j) If you have mentioned "applied for" or "not applicable" in the Bid-cum-Application Form in the section dealing with PAN number ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof; and
- k) Ensure that the demographic details (as defined hereinbelow) 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 price to less than the lower end of the price band or higher than the higher end of the price band;
- c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the member of the Syndicate;
- d) Do not pay the Bid amount in cash;
- e) Do not provide your GIR number instead of your PAN.
- f) Do not send Bid-cum-Application Forms by post; instead submit the same to members of the Syndicate only;
- g) Do not Bid at Cut Off price (for QIBs and non-institutional bidders);
- h) Do not Bid at Bid amount exceeding Rs. 100,000 (for Retail Individual Bidders);
- i) Do not fill up the Bid-cum-Application Form such that the Equity Shares bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- j) Do not submit Bid accompanied with Stock invest; and
- k) Do not submit Bid without the QIB Margin Amount incase of a Bid by a QIB.

#### **Bids by Employees of our Company**

- i. For the purpose of this reservation, Employee means Permanent Employees of our Company, a Director of our Company (whether a whole time Director, part-time Director or otherwise), as on the date of the filing of the Draft Red Herring Prospectus with SEBI.
- ii. Bids under Employee Reservation Portion by Permanent Employees shall be made only in the prescribed Bid-cum-Application Form or Revision Form (i.e. green colour form).
- iii. Employees, as defined above, should mention the following at the relevant place in the Bid-cum-Application Form:
- iv. Employee number
- v. The sole/ first bidder should be Permanent Employees as defined above.
- vi. Only Employees, as defined above, would be eligible to apply in this Issue under this category.



- vii. Bids by Employees, as defined above, will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- viii. Employees, as defined above, who apply or Bid for Equity Shares of or for a value of not more than Rs. 100,000/- in any of the Bidding options can apply at Cut-Off. This facility is not available to other Employees whose minimum Bid amount exceeds Rs. 100,000/-.
- ix. The maximum bid in this category can be for 2,00,000 Equity Shares.
- x. If the aggregate demand in this category is less than or equal to 2,00,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees, as defined above, to the extent of their demand.
- xi. Under subscription in this category would be added back to the Net Issue and the proportionate allocation of the same would be by our Company in consultation with the BRLMs.
- xii. If the aggregate demand in this category is greater than 200,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to para "Method of Proportionate Basis of Allotment" on page 165 of the Red Herring Prospectus.

#### **Instructions for Completing the Bid-cum-Application Form**

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the BRLMs or Syndicate Member.

#### **Bids and Revisions of Bids**

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for resident Indians and blue for Non-residents including NRIs, FIIs, Foreign Venture Capital Fund/Multilateral and Bilateral Development Financial Institutions applying on repatriation basis and green for Employees of our Company.)
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.
- (c) The Bids from the Retail Individual Bidders must be for a minimum of 45 Equity Shares and in multiples of 45 thereafter subject to a maximum Bid amount of Rs. 100,000/-.
- (d) For Non-Institutional and QIB Bidders, Bids must be for a minimum Bid Amount of Rs. 100,001/- and in multiples of 45 Equity Shares thereafter. All individual Bidders whose maximum Bid Amount exceed Rs. 100,000/- would be considered under this category. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.
- (e) In single name or in joint names (not more than three).
- (f) **By NRIs** - For a minimum of 45 Equity Shares and in multiples of 45 thereafter subject to a maximum Bid amount of Rs.100,000 for the Bid to be considered as part of the Retail Portion. Bids for Bid Amount more than Rs.100,000 would be considered under Non Institutional Category for the purposes of allocation. For more details please refer to section titled "Maximum and Minimum Bid Size" on page 149 of the Red Herring Prospectus.
- (g) **By FIIs** - for a minimum of such number of Equity Shares and in multiples of 45 that the Bid Amount exceeds Rs. 100,000. For more details please refer to section titled "Maximum and Minimum Bid Size" on page 149 of the Red Herring Prospectus.
- (h) In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals (excluding NRIs) or their nominees or OCB's.
- (i) Thumb impressions and signatures other than in the languages specified in the eighth schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

#### **Bids and revision to Bids must be made:**

On the Bid-cum-Application Form or the Revision Form, as applicable, and completed in full in **BLOCK LETTERS in ENGLISH** in accordance with the instructions contained therein.



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In a single name or joint names (not more than three).

For further details see section titled “Issue Procedure - Maximum and Minimum Bid Size” on page 149 of the Red Herring Prospectus.

### **Bidder’s Depository Account Details and Bank Account Details**

**Bidders must note that on the basis of name of the Bidders, Depository Participant’s name, Depository Participant’s Identification Number, Beneficiary Account number provided by them in the Bid-Cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders’ bank account details, including the nine digit Magnetic Ink Character Recognition (“MICR”) code as appearing on a cheque leaf.**

Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders’ sole risk and neither our Company, the Registrar, the Escrow Collection Bank (s), Bankers to the Issue, Refund Banker nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

**IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN, WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID-CUM-APPLICATION FORM.**

Bidders should note that on the basis of name of the Bidders, Depository Participant’s name, Depository Participant- Identification number and beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation (“Demographic Details”). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These demographic details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The demographic details given by Bidders in the Bid-cum-Application Form would not be used for any other purposes by the Registrar.

Hence, Bidders are advised to update their demographic details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required demographic details as available on its records.

Refund orders/allocation advice/CANs would be mailed at the address of the Bidder as per the demographic details received from the Depositories. Bidders may note that receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Escrow Collection Bank nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant’s identity (DP ID) and the beneficiary’s identity, then such Bids are liable to be rejected.

Our Company in our absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order / CANs / allocation advice / refunds through electronic transfer of funds, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid-cum-Application Form instead of those obtained from the depositories.





**Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

#### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Articles of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to reject such Bid in whole or in part, without assigning any reasons therefore.

In case of Bids made pursuant to a power of attorney by Mutual Funds registered with SEBI, Venture Capital fund registered with SEBI and Foreign Venture Capital Fund registered with SEBI, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to reject such Bid in whole or in part, without assigning any reasons therefore.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application form, subject to such terms that we may deem fit.

#### **Payment Instructions**

We and the BRLMs shall open an Escrow Account with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in this Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

#### **Payment into Escrow Account:**

- (a) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid-cum-Application Form draw a payment instrument for the Bid Amount in favor of the Escrow Account and submit the same to the members of the Syndicate.
- (b) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the Syndicate Member by the BRLMs.
- (c) The payment instruments for payment into the Escrow Account should be drawn in favor of:
  - (i) In case of Resident Bidders: **“Escrow Account- Atlanta Limited”**
  - (ii) In case of Non Resident Bidders: **“Escrow Account- Atlanta Limited - NR”**



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- (iii) In case of Employees of the Company: **“Escrow Account- Atlanta Limited -Employees”**
- (iv) In case of Resident QIBs: **“Escrow Account - Atlanta Limited - QIB - R”**
- (v) In case of Non-Resident QIBs: **“Escrow Account - Atlanta Limited - QIB - NR”**
- (d) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad, cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
- (e) In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
- (f) 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 Escrow Account.
- (g) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated Date.
- (h) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
- (i) On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

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/ stock invest/money orders/ postal orders will not be accepted.

### **Payment by Stock invest**

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or demand drafts for payment of bid money has been withdrawn.

### **Submission of Bid-cum-Application Form**

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate Member at the time of submission of the Bid. Member of the Syndicate may at its sole discretion waive the requirement of payment at the time of submission of the Bid-cum-Application Form and Revision Form in the case of QIB Bidders, prescribed however, that for QIB Bidders the Syndicate member shall collect the QIB Margin and deposit the sum in a specified Escrow Account.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection center of the Syndicate Member will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

## **OTHER INSTRUCTIONS**

### **Joint Bids in the case of Individuals**

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form (“First Bidder”). All communications will be addressed to the first Bidder and will be dispatched to his or her address.



### 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 case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bidders in the Employees Reservation category can also bid in the “Net Issue to the Public” and such Bids shall not be treated as multiple Bids.

### Permanent Account Number (PAN)

Where 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 Permanent Account Number (PAN) allotted under the I.T. Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the Bid-cum-Application Form. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.** In case the sole/first Bidder and joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention “Not Applicable” and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention “Applied for” in the Bid-cum-Application Form. Further, where the Bidder(s) has mentioned “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), or Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving license (d) Identity card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.**

### Unique Identification Number - MAPIN

With effect from July 1, 2005, SEBI has decided to suspend all fresh registrations for obtaining Unique Identification Number (UIN) and the requirement to contain/quote UIN under the MAPIN Regulations/ Circulars vide its circular MAPIN/Cir- 13/2005. However, in a press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UIN's in a phased manner. The press release states that the cut-off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs. 100,000 to Rs. 500,000 or more. The limit will be reduced progressively. For trade order value of less than Rs. 500,000, an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of this Red Herring Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations. Therefore, MAPIN is not required to be quoted with the Bids.

### Our Right to Reject Bids

In case of QIB Bidders, our Company, in consultation with the BRLM's/Syndicate Members may reject bids at the time of submission of the bid provided that the reasons for rejecting the same shall be provided for such bidder in writing. In case of QIB Bidders, Non Institutional Bidders and Retail Individual Bidders who Bid, our Company has the right to reject bids on technical grounds. Consequent refunds shall be made as set out in ‘Letter of Allotment or refund’ and ‘Mode of making refunds’ on page 166 of the Red Herring Prospectus.

### Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

- 1) Amount paid doesn't tally with the amount payable for the highest number of Equity Shares Bid for;
- 2) Age of first Bidder not given;
- 3) Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;



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- 4) PAN photocopy / PAN communication/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration not given if Bid is for Rs. 50,000/- or more and GIR number given instead of PAN number;
- 5) Bids for lower number of Equity Shares than specified for that category of investors;
- 6) Bids at a price less than lower end of the Price Band;
- 7) Bids at a price more than the higher end of the Price Band;
- 8) Bids at cut-off price by Non-Institutional and QIB Bidders;
- 9) Bids for number of Equity Shares which are not in multiples of 45;
- 10) Category not ticked;
- 11) Multiple bids as defined in the Red Herring Prospectus;
- 12) In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- 13) Bids accompanied by Stock Invest/ money order/postal order/cash;
- 14) Signature of sole and / or joint Bidders missing;
- 15) Bid-cum-Application Form does not have the stamp of the BRLM or Syndicate Member;
- 16) Bid-cum-Application Form does not have Bidder's Depository Account details;
- 17) In case no corresponding record is available with the Depository that matches three parameters: name of Bidder (including sequence of names of joint holders), Depository Participant identification number and beneficiary account number;
- 18) Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Form;
- 19) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same at page [●] of this Red Herring Prospectus;
- 20) Bids by OCBs;
- 21) Bid by U.S. residents or U.S persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the U.S. Securities Act of 1933;
- 22) 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;
- 23) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations; and

#### **Equity Shares in Dematerialized 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 dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).**

In this context, two agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

- a) A tripartite agreement dated January 25, 2006 with NSDL, us and Karvy Computershare Private Limited, Registrar to the Issue;
- b) A tripartite agreement dated December 2, 2005 with CDSL, us and Karvy Computershare Private Limited, Registrar to the Issue.

**All Bidders can seek allotment only in dematerialized mode. Bids from any investor without relevant details of his or her Depository Account are liable to be rejected.**

- a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid-cum-Application Form or Revision Form.



- c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- d) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to this Issue.
- f) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
- g) The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
- h) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- i) The trading of the Equity Shares of our Company would be in dematerialized form only for all investors.

### **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, number of Equity Shares applied for, date, bank and branch where the Bid was submitted and cheque, number and issuing bank thereof.

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

### **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

**“Any person who:**

- (a) **makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- (b) **otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,**

**shall be punishable with imprisonment for a term which may extend to five years.”**

### **Basis of Allotment or Allocation**

#### **A. For Retail Individual Bidders**

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Net Issue less allocation to Non-Institutional and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 1,435,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 1,435,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 45 Equity Shares. For the method of proportionate basis of allotment, please refer to “Method of Proportionate Basis of Allotment” hereinbelow.

#### **B. For Non-Institutional Bidders**

- Bids received from Non Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.



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- The Issue less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 615,000 Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 615,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 45 Equity Shares. For the method of proportionate basis of allotment please refer to “Method of Proportionate Basis of Allotment” hereinbelow.

### C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for allocation to QIB Bidders who have Bid in this 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 5% of the QIB Portion shall be determined as follows;
    - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB Portion.
    - (ii) In the event that the aggregate demand for 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 all QIB Bidders as set out in (b) below;
  - (b) In the second instance allocation to all QIBs shall be determined as follows:
    - (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
    - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
    - (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
  - (c) The aggregate allocation to QIB Bidders shall be upto 2,050,000 Equity Shares.

Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category by the Company and the BRLMs.

### D. For Employee Reservation Portion

- Bids received from the Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 200,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 200,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 45 Equity Shares and in multiple of 45 Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.
- Only Employees may apply under the Employee Reservation Portion.

Under-subscription, if any, in any category would be allowed to be met with spill over from any other category at the sole discretion of the Company and the BRLMs



## PROCEDURE AND TIME SCHEDULE FOR ALLOTMENT OF EQUITY SHARES

The Issue will be conducted through a “100% book building process” pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on September 01, 2006 and end on September 07, 2006. Following the end of the Bidding Period, our Company, in consultation with the BRLMs, will determine the issue price, and, in consultation with the BRLMs, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the BSE/NSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus has been filed with SEBI on [●] and the Registrar of Companies on [●] and will be made available to investors. SEBI Guidelines require our Company to complete the allotment to successful bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors’ demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three trading days from the date of crediting the investor’s demat account, subject to final approval by the Stock Exchanges.

### Method of Proportionate Basis of Allotment

In the event the Issue is over-subscribed, the basis of allotment shall be finalised by the Company in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that basis of allotment is finalised in a fair and proper manner. Allotment to Bidders shall be as per the basis of allocation as set out in this Prospectus under “Issue Structure”.

- a) Bidders will be categorised according to the number of Equity Shares applied for.
- b) The total number of Equity Shares to be allotted to each category, as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of bidders in the category multiplied by number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio in that category subject to minimum allotment of 45 Equity Shares. The minimum allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.
- d) In case the proportionate allotment to any Bidders is in fractions, then the same would be rounded off to nearest integer.
- e) In all bids where the proportionate allotment is less than 45 per Bidder, the allotment shall be made as follows:
  - Each successful Bidder shall be allotted a minimum of 45 Equity Shares; and
  - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- f) If the proportionate allotment to a Bidder is a number that is more than 45 but is not a multiple of 1 (which is the marketable lot), the number in excess of the multiple of 1 would be rounded off to the higher multiple of 1 if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of 1. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.
- g) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising of bidders applying for minimum number of Equity Shares.

### Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with depository participants and submit the documents pertaining to the allotment of Equity Shares to the Stock Exchanges within 2 working days of finalization of the basis of allotment of Equity Shares by the Designated Stock Exchange. Applicants having bank accounts at any of the 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Clearance Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, we 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 and adequate funds for the purpose shall be made available to the Registrar by us. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through “Under Certificate of Posting” within 15 days of closure of the Issue, intimating them about the mode of credit of refund, the bank where the refunds shall be credited along with the amount and the expected date of electronic credit of refund.



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In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid/Issue Closing Date;
- The Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders / credit intimation are not dispatched and in case where a refund is made through electronic mode, the refund instructions have not been given to the clearing system, and demat credits are not made to investors within the 15 day prescribed time period as mentioned above provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Save and except refunds effected through the electronic mode i.e. ECS, direct credit or RTGS, refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the Company, as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

### Payment of Refund

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details including nine digit MICR code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Refund Bank nor the Company nor the Registrar 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:

- (a) **ECS:** Payment of refund would be done through ECS for applicants having an account at one of the 15 centres, where clearing houses for ECS are managed by Reserve Bank of India namely 1) Ahmedabad 2) Bangalore 3) Bhubaneswar 4) Kolkata 5) Chandigarh 6) Chennai 7) Guwahati 8) Hyderabad 9) Jaipur 10) Kanpur 11) Mumbai 12) Nagpur 13) New Delhi 14) Patna and 15) Thiruvanthapuram. This would be subject to availability of complete Bank Account Details including MICR code from the depository. The payment of refund through ECS is mandatory for applicants having bank account at any of the 15 centres named herein above, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or RTGS. .
- (b) **Direct Credit:** Investors having their bank account with the Refund Bank, i.e. ICICI Bank Limited shall be eligible to receive funds, if any, through Direct Credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.
- (c) **RTGS:** Applicants having a bank account at any of the 15 centres detailed above, and whose Bid amount exceeds Rs. 1 million, shall be eligible to exercise the option to receive refunds, if any, through RTGS. All applicants eligible to exercise this option shall mandatorily provide the IFSC code in the Bid-cum-Application Form. In the event of failure to provide IFSC code in the Bid-cum-Application Form, the refund shall be made through ECS or Direct Credit, if eligibility is disclosed;

**Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by RBI are eligible to receive refunds through the modes detailed in (a), (b) and (c) hereinabove. For all the other applicants, including applicants who have not updated their bank particulars alongwith the nine digit MICR Code, the refund orders would 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.**



**Disposal of Applications and Applications Money and Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders**

The Company agrees that as far as possible allotment of securities offered to the public shall be made within 15 days of the closure of the public issue. The Company further agrees that it shall pay interest at rate of 15% per annum if the allotment letters/refund orders have not been dispatched to the applicants 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 within 15 days from the date of closure of the Issue. However, applications received after the closure of issue in fulfillment of underwriting obligations to meet the minimum subscription requirement shall not be entitled for the said interest.

**Refund orders shall be payable at par at all centers where Bidding terminals was set-up to receive Bids from Bidders.**

**Issue Program**

<b>BID / ISSUE OPENS ON</b>	<b>September 01, 2006 (Friday)</b>
<b>BID / ISSUE CLOSES ON</b>	<b>September 07, 2006 (Thursday)</b>

Bids and any revision in bids shall be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid-cum-Application Form except that on the Bid/Issue Closing Date, the Bids shall be accepted **only between 10 a.m. and 1 p.m.** (Indian Standard Time) or uploaded till such time as may be permitted by the BSE and NSE on the Bid/Issue Closing Date.

**The Price Band will be decided by the Company in consultation with the BRLMs.**

The Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band, subject to the Bidding Period / Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE by issuing a press release, and also by indicating the change on the web site and at the terminals of the members of the Syndicate.

**Undertaking by the Company**

The Company undertake as follows:

- that the complaints received in respect of this Issue shall be attended to 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 funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the heading "Modes of making refunds" on page 166 of the Red Herring Prospectus, shall be made available to the Registrar to the issue by the Issuer.
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue giving the details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund.
- that no further issue of Equity Shares shall be made till the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

**We will provide adequate funds required for dispatch of refund orders / electronic transfer of funds for refunds or allotment advice to the Registrar to the Issue.**

**Utilisation of Issue proceeds**

The Board of Directors of our Company certifies that:

- (a) all monies received out of the Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- (b) details of all monies utilised out of this Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such unutilised monies have been invested; and



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- (c) Details of all unutilised monies out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.
- (d) The details of all unutilized monies out of the funds received under the reservations shall be disclosed under a separate head in the balance sheet of the Company indicating the form in which unutilized monies have been invested.

The Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

### **Interest on Refund of excess Bid Amount**

The Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date as per the Guidelines issued by the GoI, 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.

### **Rectification of Register of Members**

The Company, under Section 111A of the Companies Act will have the right to rectify the register of members to comply with the Companies Act.

### **Restrictions on Foreign Ownership of Indian Securities**

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of the Government of India ("FIPB") and the RBI. Under present regulations, the maximum permissible FII investment in our Company is restricted to 24% of our total issued capital. This can be raised to 100% by adoption of a Board resolution and special resolution by our shareholders; however, as of the date hereof, no such resolution has been recommended to Board or our shareholders for adoption.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public Issue without prior RBI approval, so long as the price of Equity Shares to be issued is not less than the price at which Equity Shares are issued to residents.

The transfer of Equity Shares of NRIs, FIIs, and Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial institutions shall be subject to the conditions as may be prescribed by the Government of India or RBI while granting such approvals.

**IX. SECTION: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY****A. MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY**

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the important provisions of the Articles of Association of our Company relating to members, voting rights, lien on the Equity Shares and process for modification of such rights, forfeiture of Equity Shares, restrictions on transfer and transmission of Equity Shares and debentures and on their consolidation and splitting are detailed below.

Capitalised terms in this section have the meaning that has been given to such terms in the Articles of Association.

**i. Capital Increase and Reduction of Capital**

- |   |    |    |   |
|---|----|----|---|
| Capital   | 3. | a. | The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 1,70,00,000 (One Crore Seventy Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 30,00,000 (Thirty Lakhs) 25% Non-Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten Only) each and capable from time to time, to increase, reduce or modify its capital and to divide all or any of the shares in the capital of the Company, for the time being, classify and reclassify such shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified, or other special rights, privileges, conditions or restrictions as may be determined by the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner and by such person as may, for the time being, be permitted under the provisions of the Articles of Association of the Company or legislative provisions, for the time being in force in that behalf. |
|   |    | b. | “The minimum Paid-up Share Capital of the Company shall be Rs. 5,00,000/- (Rupees Five Lacs only).”   |
| Increase of capital by the Company and how carried into effect. | 4. |    | The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, any share of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction is given, as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of these Articles, the Directors shall comply with the provisions of Section 97 of the Act.               |
| Redeemable Preference Shares                                    | 6. |    | Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.   |



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### Provisions to apply on issue of Redeemable Preference Shares

7. On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof the following provisions shall take effect: -
  - (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
  - (b) no such shares shall be redeemed unless they are fully paid;
  - (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
  - (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act, relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

### Reduction of Capital

8. The Company may (subject to the provisions of Section 78, 80 and 100 to 105 inclusive, of the Act) from time to time by Special Resolution, reduce its share capital and any capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law and in particular capital may be paid off on the footing that it may called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

### ii. Shares and Certificates

### Register and Index of Members

14. The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or country outside India a Branch Register of Members resident in that State or Country.
  - (a) Notwithstanding anything herein contained, a person, whose name is at any time entered in the Register of Members of the Company as the holders of a share in the Company, but who does not hold the beneficial interest in such share, shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons, who hold the beneficial interest in such share in the manner provided in Section 187-C of the Act;
  - (b) A person who holds a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in Section 187-C of the Act;
  - (c) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in Section 187-C of the Act;



Further Issue of capital

- (d) Notwithstanding anything herein contained in Section 153 of the Act and Sub-Article (a), (b), (c) above, where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.
16. (a) Subject to the provisions of the Act, where at any time after the expiry of two years from the formation of the Company or the expiry of one year from the allotment of shares made for the first time after its formation whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at the date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to above hereof shall contain this statement of this right, provided that the directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
- (b) Notwithstanding anything contained in the preceding sub-clause, the Company may:-
- i) by a special resolution; or
  - ii) where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company, offer further shares to any person or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.



- (c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares, or to subscribe for shares in the Company, provided however that the terms of the debentures or loans include a term providing for such option is in conformity with the rules, if any made by the Central Government in this behalf and has also been approved by a special resolution in the General Meeting.

Shares under control of Directors

18. Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors; who may allot or otherwise dispose of the same to such persons in such proportion on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at premium or at par or a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.
19. The Board shall observe the restrictions as to allotment of shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.

Power also to Company to issue shares in General Meeting

20. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14 the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any shares.

Deposit and call etc. to be a debt payable immediately

22. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.



Liability of Members

23. Every Member, or his heirs, executors, or administrator shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

Share Certificates

24. (a) Every Member or allottee of shares shall be entitled, with or without payment, to receive one share certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their Attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole time Director. Particulars of every share Certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue, provided however that no share certificate(s) shall be issued for shares held by a Depository.
- (b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
- (d) The Company shall not be bound to register more than 3 persons as the joint holders of any share except in the case of executors or trustees of a deceased member and in respect of a share held jointly by several persons, the Company shall not issue more than one certificate and the delivery of a certificate for a share to any one of several joint holders shall be sufficient delivery to all such holders.
- (e) Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue.



- (f) The provisions stated above shall not be applicable to dematerialised Shares and shares held in fungible form with a Depository.
- Share Certificate 25. “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 receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be.”
- Dematerialisation of Securities 30. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- Securities in Depositories 33. All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.
- Rights of Depositories and Beneficial Owners 34. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.
35. Save as otherwise provided in (a) above, the Depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the security held by it.
36. Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.
- Beneficial Owner deemed as absolute owner 37. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
- Allotment of Securities dealt with in a Depository 45. Notwithstanding anything in the Act, or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.





### iii. Interest out of Capital

- Interest may be paid out of capital
51. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

### iv. Calls

- Directors may make calls
52. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by resolution by circulation) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at all times and places appointed by the Board. A call may be made payable by installments.
53. Whenever any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.
- Calls to carry interest
59. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

### v. Forfeiture of Shares

- If money payable on shares not paid notice to be given to Members
69. If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- Form of notice
70. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- In default of payment, shares to be forfeited
71. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof,



be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share not actually paid before the forfeiture.

#### vi. Transfer and Transmission of Shares

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| Register of Transfers                               | 81. | The Company shall keep a "Register of Transfer" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share in the material form.   |
| Form of Transfer                                    | 82. | The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, and or any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and their restrictions thereof.  |
|   | 83. | The Instrument of transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company.                 |
| Closure of Register of members of Debenture holders | 84. | The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate to close the Transfer Books, the Register of Members or Register of Debenture-holder at such time or times and for such period or periods, not exceeding in the aggregate forty-five days in each year, and thirty days at one time.  |
| Director's power to refuse to register a transfer   | 85. | Subject to the provisions of Section 111 of the Act, the Board may, at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares (whether fully paid or not and notwithstanding that the proposed Transferee be already a member), but in such case it shall, within two months 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 the registration of a transfer shall not be refused on the ground that the Transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares. |
| Death of one or more joint-holders of shares        | 87. | In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from an liability on shares held by him jointly with any other person.  |



**vii. Nomination**

96. Every shareholder or debenture holder of the Company, may at anytime, nominate, in the prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.
97. Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.

**viii. Buy back of Shares**

101. Subject to the provisions of sections 77A, 77AA, 77B and 217 (2B) of the Act, the Company is hereby authorised to buy-back the Company's shares or other specified securities out of its free reserves or its securities premium account or from the proceeds of any shares or other specified securities; Provided that no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or the same kind of other specified securities.

**ix. Borrowing Powers**

Borrowing Powers

110. Subject to the provisions of Sections 58A, 292 and 293 of the Act, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposit from members either in advance of calls or otherwise and generally raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting. Subject to the provisions of the Act and of these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board, receive deposits from its members, directors or their relatives and receive loans from its members, either in advance of call or otherwise, and generally raise or borrow money either in India or abroad by way of loans, overdrafts, cash credit or by issue of bonds denominated in various currencies, debentures or debenture stock with or without any option attached to it (perpetual or otherwise), commercial paper or in any other manner, from any bank, financial institution, company, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed.
111. Subject to the provisions of Article 105 hereof, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Ordinary Resolution shall prescribe including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.



#### x. Share Warrants

115. The Company may issue share warrants subject to, and in accordance with, the provisions of Section 144 and 115 of the Act and accordingly the Board may in its discretion, with respect to any share which is fully paid, upon application in writing, signed by the person registered as holder of the share, from time to time, require as to identity of the person signing the application, on receiving the certificate (if any) of 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.

#### xi. Conversion of Shares into Stock and Reconversion

Shares may be converted into stock

121. The Company, in General Meeting, may convert any paid-up shares into stock, and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interests therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, at any time, convert any stock into paid-up shares of any denomination. Where any shares have been so converted into stock, the holders of stock may then transfer their respective interests in the same or part thereof in the same manner, as and subject to the same restrictions under which the shares from which the stock arose before conversion might have been transferred., or as near thereto as circumstances admit. Provided however that the Board may, from time to time, fix the minimum amount of stock transferable.

#### xii. Meeting of Members

123. The Company shall, within a period of not less than one month nor more than six months from which it is entitled to commence business, hold the Statutory Meeting of the members of the Company subject to and in accordance with the provisions of Section 165 of the Act.
- Annual General Meeting and Annual Return 124. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Provided that it will be permissible to hold its first Annual General Meeting within a period of not less than eighteen months from the date of its incorporation; and if such meeting is held within that period it shall not be necessary for the Company to hold any Annual General Meeting in the year of its incorporation or in the following calendar year. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166 (i) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the office of the Company is situate as the Board may determine and the notice calling the



Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with Proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Section 159, 161 and 220 of the Act.

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| Extraordinary General Meeting  | 125. The Board may, whenever it thinks fit, call an Extra ordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.   |
| Requisition of Members to state object of Meeting  | 126. Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.  |
| On receipt of requisition, directors to call Meeting and in default requisitionists may do so. | 127. Upon the receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office and cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitions, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the Meeting, but in either case any Meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid. |
| Meeting called by requisitionists  | 128. Any Meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meeting are to be called by the Board.  |
| Notice of Meeting  | 129. Save and except the Statutory Meeting, twenty-one days' notice at the least of every General Meeting, Annual or Extra-Ordinary, and by whomsoever called specifying the day, place and hour of Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in case of any other Meeting, with the consent of the Members holding not less than 95 per cent of such part of the  |



paid-up share capital of the Company as gives a right to vote at the Meeting, a Meeting may be convened by a shorter notice. In the case of an Annual General Meeting if any business other than (i) the consideration of the Accounts, Balance Sheet and Reports of the Board of Directors and Auditors (ii) the declaration of dividend (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other Meeting in any event there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein of every Director, and the Manager (if any). Where any such item or special business relates to, or affects any other company, the extent of share holding interest in the other company of every Director, and the Manager, if any of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 2 percent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any documents by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

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| Omission to give notice not to invalidate a resolution passed | 130. | The accidental omission to give any such notice as aforesaid to any of the Members, or the non receipt thereof shall not invalidate any resolution passed at any such Meeting.  |
| Meeting not to transact business not mentioned in notice      | 131. | No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.  |
| Quorum for the General Meeting                                | 132. | Five Members present in person shall be a quorum for a General Meeting. The Quorum for the meeting shall be as provided in Section 174 of the Act.  |
| Body Corporate deemed to be personally present                | 133. | A body corporate being a Member shall be deemed to be personally if it is represented in accordance with Section 187 of the Act.  |
| If quorum not present, meeting to be dissolved or adjourned   | 134. | If, at the expiration of half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if convened by or upon the requisition of Members, shall stand dissolved and in any other case the Meeting shall stand adjourned to the same day in the next week or if that day is a public holiday, until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place in the City or town in which the Office of the company is for the time being situate, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum, and may transact the business for which the meeting was called. |

**xiii. Vote of Members**

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| Member in arrears not to vote | 147. | No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien. |
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- Number of votes to which member entitled 148. Subject to the provisions of the Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, not disqualified by the last preceding Article, shall be entitled to be present and to speak and vote at such Meeting and on a show of hands, every Member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any Meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his preference shares.
- xiv. Minutes of Meeting**
- Minutes of General Meetings and inspection thereof by Members 163. The Company shall cause minutes of all proceedings of every General Meeting to be kept within thirty days of the conclusion of every such Meeting and concerned entries thereof in books kept for that purpose with their pages consecutively numbered.
- xv. Directors**
- First Directors 173. The following are the First Directors of the Company:  
1. RAJENDRA AMBALAL BAROT  
2. MRS. BHAVANA RAJENDRA BAROT  
3. MR. RIKIN RAJENDRA BAROT
- Provision to appoint ex-officio Directors 175. Whenever the Company/ directors enter into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as the “appointer”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.



Nominee Directors

**xvi. Nominee Director**

176. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), the Industrial Credit and Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Orient Fire and General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UI) or a State Financial Corporation or any financial institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this Article referred to as “the Corporation”), out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/ Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint, from time to time, any person or persons as a Director or Directors, whole-time or non- whole-time, (which Director or Directors, is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.
- Appointment of Alternate Directors
184. The Board may appoint an Alternate Director to act for a Director (hereinafter called “the Original Director”) during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
- Directors power to add to the Board
185. (a) Subject to the provisions of Section 260 of the Act, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not, at any time, exceed the maximum strength fixed for the Board under the Article 165. Any such additional Director shall hold office only up to the date of next Annual General Meeting.
- (b) Subject to the provisions of Sections 262, 264 and 284 of the Act, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.





- Qualification of Directors 186. A Director shall not be required to hold any share qualification.
- xvii. Proceedings of the Board of Directors**
- Meeting of Directors 211. The Directors may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings, as they think fit.
- Notice of Directors Meeting 212. Notice of every meeting of the Board shall be given in writing to every Director whether in or outside India, and otherwise regulate their meetings, as they think fit.
- Quorum of Board Meeting 213. 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 that 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 the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such meeting.
- Adjournment of meeting for want of quorum 214. If a meeting of the Board could not be held for want of a quorum then, the meeting shall stand adjourned to such other date and time (if any) as may be fixed by the Chairman.
- xviii. Management**
226. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely Managing Director or Manager.
227. The Directors shall, from time to time, appoint a Secretary and, at their discretion, remove any such Secretary to perform any functions, which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also appoint at any time any person or persons (who need not be the Secretary) to keep the Registers required to be kept by the Company.
- xix. The Seal**
228. (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have the power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
- (b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.
- xx. Dividends**
- Division of profits and dividends in proportion to amount paid up 230. The profits of the Company, subject to any special rights relating thereof created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up and to the period during the year for which the capital is paid-up on the shares held by them respectively.



## ATLANTA LIMITED

The Company in General Meeting may declare a dividend

231. The Company in general Meeting may declare dividends to be paid to Members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

### xxi. Accounts

Directors to keep true accounts

244. The Company shall keep at the office or at such other place in India as the Board thinks fit proper Books of Account in accordance with Section 209 of the Act with respect to :
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
  - (b) all sales and purchases of goods by the Company.
  - (c) the assets and liabilities of the Company.

### xxii. Documents and Notice

Manner or service of documents or notice on Members by Company

253. A document or notice may be served or given by the Company on any Member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.

When notices of documents served on Members

254. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice, provided, that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a Notice of a meeting at the expiration of forty eight hours (48) after the letter containing the document or notice is posted and in any other cases, at the time at which the letter would be delivered in the ordinary course of post.

### xxiii. Winding-up

Liquidator may divide assets in specie

262. The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit.

### xxiv. Indemnity and Responsibility

Indemnity

260. Subject to Section 201 of the Act, every Director, Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.



## X. SECTION: OTHER INFORMATION

### A. 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 contracts entered into more than two years before the date of filing of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Red Herring Prospectus have been delivered to the Registrar of Companies, Maharashtra for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 101 Shree Ambashanti Chambers, Opp. Leela Hotel, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059 from 10.00 a.m. to 4.00 p.m. on working days from the date of filing of the Red Herring Prospectus until the Bid Closing Date / Issue Closing Date of this Issue.

#### Material Contracts for Inspection

1. Letter of Engagement from Karvy Investor Services Limited, UTI Securities Limited and SREI Capital Markets Limited offering their services to act as BRLMs and Company's acceptance thereto.
2. Memorandum of Understanding dated March 16, 2006 between the Company, the BRLMs to this Issue.
3. Memorandum of Understanding dated March 16, 2006 between the Company and Karvy Computershare Private Limited as Registrars.
4. Escrow Agreement dated [●] between the Company, the BRLMs, Escrow Collection Bank and the Registrar to this Issue.
5. Underwriting Agreement dated [●] between the Company, BRLMs and the Syndicate Member.
6. Syndicate Agreement dated [●] between the Company, BRLMs and the Syndicate Member.

#### Material Documents for Inspection

1. Certified true copies of the Memorandum and Articles of Association of the Company, as amended from time to time.
2. Certificate of Incorporation of the Company dated January 17, 1984.
3. Extraordinary General Meeting resolution dated March 16, 2006 and the resolution of the Board dated March 14, 2006 authorizing this Issue.
4. Copies of the Annual Reports of the Company for the years ended March 31, 2002; March 31, 2003; March 31, 2004; March 31, 2005; and March 31, 2006.
5. Copy of the Statement of Tax Benefits report dated April 29, 2006 issued by M/s. Suresh C. Maniar & Co., Chartered Accountants.
6. Copy of the Auditors' Report dated April 29, 2006 containing the restated accounts for the past 5 years.
7. Agreement dated March 28, 2005 among the Shareholders of the Company for redemption of 2,500,000 25% non-cumulative redeemable preference shares of Rs. 50/- each.
8. Sanction letter no. SIFL/WRO/AF/05-06/AIL/01 from SREI Infrastructure Finance Limited for a loan of Rs. 135 million.
9. Sanction letter dated July 6, 2006 from SREI Infrastructure Finance Limited for a loan of Rs. 150 million.
10. Sanction letter no. IIFCL:PRO:BTL:2006:475 dated August 4, 2006 from India Infrastructure Finance Company Limited for a loan of Rs. 450 million.
11. Consents of Auditors, Bankers to the Company, BRLMs, Syndicate Members, legal advisors to this Issue, Directors, Company Secretary, Registrar to this Issue, Bankers to this Issue, Compliance Officer as referred to, in their respective capacities.
12. Listing application dated February 20, 2006 and March 21, 2006 filed with the BSE and the NSE, respectively.
13. In-principle listing approvals dated April 24, 2006 and May 4, 2006 from BSE and NSE, respectively and letter of extension dated August 10, 2006 by NSE.
14. Tripartite agreement between the NSDL, our Company and the Registrar dated January 25, 2006.
15. Tripartite agreement between the CDSL, our Company and the Registrar dated December 2, 2005.
16. Due diligence Certificate dated March 18, 2006 to SEBI from Karvy Investor Services Limited.
17. SEBI observation letter no. CFD/DIL/PB/AC/69022/2006 dated June 12, 2006

Any of the contracts or documents mentioned in the Red Herring Prospectus may be amended or modified at any time if so required in the interest of 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.



ATLANTA LIMITED

## **B. DECLARATION**

We, the Directors of our Company, hereby declare that, all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Red Herring Prospectus are true and correct.

### **Signed by all the Directors**

Mr. G. Viswanathan

Mr. Rajhoo Bbarot

Mr. Rikiin Bbarot

Mr. G. Radhakrishnan

Dr. Samir Degan

Mr. Arpan Brahmhatt

### **Signed by the Managing Director**

Mr. Rajhoo Bbarot

### **Signed by the Compliance Officer**

**Place: Mumbai**

**Date: August 21, 2006**