RED HERRING PROSPECTUS

Dated September 10, 2007

Please read section 60B of the Companies Act, 1956

100% Book Building Issue

CONSOLIDATED CONSTRUCTION CONSORTIUM LIMITED

(The Company was incorporated as Consolidated Construction Consortium Limited on July 11, 1997 and were issued certificate of incorporation bearing No. 18-38610 by the Registrar of Companies, Tamil Nadu. The registered office of our Company was shifted from No. 27A, Railway Colony, Nelson Manickam Road, Chennai 600 029 to No. 3, Second Link Street, CIT Colony, Mylapore, Chennai 600 004 with effect from August 22, 1997 by means of a resolution of our Board dated August 22, 1997. The premises bearing door number 3, was renumbered as No.5, Second Link Street, CIT Colony, Mylapore, Chennai 600 004.)

Registered Office and Corporate Office: No.5, Second Link Street, CIT Colony, Mylapore, Chennai 600 004
Tel: (91 44) 2466 1083; **Fax:** (91 44) 2499 0225 **Company Secretary and Compliance Officer:** Mr. M.V.M. Sundar
Email: investors@ccclindia.com; **Website:** www.ccclindia.com

PUBLIC ISSUE OF 3,700,000 EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [•] PER EQUITY SHARE BY CONSOLIDATED CONSTRUCTION CONSORTIUM LIMITED (THE "COMPANY" OR "THE ISSUER") AGGREGATING UP TO RS. [•] MILLION (THE ISSUE WOULD CONSTITUTE 10.01% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY)

PRICE BAND: RS. 460/- TO RS. 510/- PER EQUITY SHARE OF FACE VALUE OF RS. 10

THE FLOOR PRICE IS 46 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 51 TIMES OF THE FACE VALUE

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

In terms of Rule 19 (2)(b) of the Securities Contract Regulation Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, up to 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the 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.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs.10 per Equity Share and the Issue Price is [•] times of the face value. The Issue Price (as determined by the Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered 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 Issuer and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page xi.

IPO GRADING

This Issue has been assigned IPO grade 3 by ICRA Limited.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING ARRANGEMENT

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the NSE and the BSE. We have received in-principle approval from NSE and BSE for the listing of our Equity Shares pursuant to letters dated June 29, 2007 and July 2, 2007, respectively. For purposes of this Issue, the Designated Stock Exchange is NSE.

BOOK RUNNING LEAD MANAGERS		CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
ENAM **Enam Securities Private Limited** 801, Dalamal Towers Nariman Point Mumbai 400 021 Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 Email: cccl.ipo@enam.com Website: www.enam.com Contact Person: Ms. Ashni Sampat SEBI Registration number: INM000006856	kotak Investment Banking **Kotak Mahindra Capital Company Limited** 3rd Floor, Bakhtawar 229, Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2284 0492 Email:cccl.ipo@kotak.com Website: www.kotak.com Investor Grievance ID : kmccredressal@kotak.com Contact Person: Mr. Chandrakant Bhole SEBI Registration number: INM000008704	SPARK CAPITAL **Spark Capital Advisors (India) Private Limited** Second Floor, No. 18 Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006 Tel: (91 44) 4205 9901/02/03 Fax: (91 44) 4205 9907 Email: cccl.ipo@sparkcapital.in Website: www.sparkcapital.in Contact Person: Mr. S. Prasanna SEBI Registration number: INM000011138	KARVY **Karvy Computershare Private Limited** "Karvy House", 46, Avenue 4 Street No.1, Banjara Hills Hyderabad 500 034 Tel: (91) 1800 345 4001 Fax: (91 40) 2331 1968 Email: cccl.ipo@karvy.com Website: www.karvy.com Contact Person: Mr. Murali Krishnan

ISSUE PROGRAMME	
BID/ISSUE OPENS ON : TUESDAY, SEPTEMBER 18, 2007	**BID/ISSUE CLOSES ON : FRIDAY, SEPTEMBER 21, 2007**

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SECTION I- GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
"We", "us", "our", "Issuer", "the Company" and "our Company".	Unless the context otherwise indicates or implies, refers to Consolidated Construction Consortium Limited

Company Related Terms

Term	Description
Articles	Articles of Association of our Company
Auditors	The statutory auditors of our Company, Murali Associates, No. 39 (Old No. 19), First Main Road, R.A. Puram, Chennai 600 028
Board/ Board of Directors	Board of Directors of our Company
Directors	Directors of our Company, unless otherwise specified
Evolvence	Evolvence India Fund Co Invest III, with its offices at IFS Court, Cybercity, Ebene, Mauritius
IPO Committee	A committee of our Directors Mr. P. Venkatesh, Mr. S. Sivaramakrishnan, Mr. V.G. Janarthanam and our Chief Financial Officer Mr. T.R. Seetharaman.
Memorandum	Memorandum of Association of our Company
Promoter Group	The Promoter Group Entities and the Promoter Group Individuals
Promoter Group Entities	Yuga Homes Limited, Taurus Plant and Equipment Services Limited, Samruddhi Holdings, Yuga Agate, Yuga Developers, Yuga Builders and Vimuktha Vidhya Trust.
Promoter Group Individuals	Ms. Anandhi Seetharaman, Ms. Anjana Sivaramakrishnan, Ms. Archana Sivaramakrishnan, Mr. G.N. Reddy, Ms. Hemalatha, Ms. Jayalakshmi, Mr. K. Dharanidhar, Ms. K. Shobhana, Mr. K. Sundararam, Mr. K. Rajagopal, Mr. Kaalicharan S. Goswami, Ms. Kalavathy Boi, Mr. Kaushik Ram, Ms. Krishna Boi, Ms. Lakshmi Subramoni, Ms. Letha, Ms. Meenakshi, Ms. Padmavathy J, Ms. Priyamvada, Ms. Pushpa, Mr. R. Durgadoss, Mr. R. Balakumar, Ms. Rama Boi, Mr. Ramaiyer Renganathan, Mr. Renganathan Ramamoorthy, Ms. Saraswathi, Ms. Savithri, Ms. Sethu Boi, Ms. Sharada, Ms. Sudhathi S. Goswami, Mr. V. Chandramouli, Ms. V. Prema, Mr. V. Ravikumar, Ms. V. Sandhya Devi, Ms. V. Usha Devi, Ms. Vidya Janarthanam
Promoters	Mr. R. Sarabeswar, Mr. S. Sivaramakrishnan, Mr. V.G. Janarthanam, Mr. T.R. Seetharaman, Ms. Usha Sarabeswar and Ms. R. Girija.
Registered / Corporate Office of the Company	No.5, Second Link Street, CIT Colony, Mylapore, Chennai 600 004
UTI Venture Funds	Unit Trust of India Investment Advisory Services Limited, the trustees of UVF Private Equity Trust, a fund registered with SEBI investing through its scheme Ascent India Fund, and acting through its manager UTI Venture Funds Management Company Private Limited.
M&E	Our Mechanical and Electrical division

Issue Related Terms

Term	Description
Allotment	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue
Allottee	The successful Bidder to whom the Equity Shares are/ have been allotted
Banker(s) to the Issue	HDFC Bank Limited, ABN AMRO Bank N.V, Kotak Mahindra Bank Limited, BNP Paribas and Standard Chartered Bank
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 231
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid / Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a Tamil newspaper with wide circulation
Bid / Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in a widely circulated English national newspaper, a Hindi national newspaper and a Tamil newspaper with wide circulation
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to purchase Equity Shares of our Company in terms of the Red Herring Prospectus and the Bid cum Application Form
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding / Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Book Building Process/ Method	Book building route as provided in Chapter XI of the SEBI DIP Guidelines, in terms of which this Issue is being made
BRLMs	Book Running Lead Managers to the Issue, in this case being Enam and KMCC
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
CBRLM/ Co-BRLM	Spark Capital Advisors (India) Private Limited, having its registered office at Second Floor, No. 18, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600 006
Cut-off Price	The Issue Price finalised by our Company in consultation with the BRLMs and CBRLM

Term	Description
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the ROC, following which the Board of Directors shall allot Equity Shares to successful Bidders
Designated Stock Exchange	NSE
Draft Red Herring Prospectus	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars on the price at which the Equity Shares are offered and the size (in terms of value) of the Issue
ECS	Electronic Clearing Service
Eligible NRI	NRI from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue
ENAM	Enam Securities Private Limited having its registered office at 24, B.D. Rajabahadur Compound, Ambalal Doshi Marg, Fort, Mumbai
Equity Shares	Equity shares of our Company of Rs.10 each unless otherwise specified in the context thereof
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar, BRLMs, CBRLM, the Syndicate Member and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders on the terms and conditions thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened and in this case being HDFC Bank Limited, ABN AMRO Bank N.V, Kotak Mahindra Bank Limited, BNP Paribas and Standard Chartered Bank
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, above which the Issue Price will be finalized and below which no Bids will be accepted
ICRA	ICRA Limited, with its registered office located at 1105, Kailash Building Eleventh Floor, 26, Kasturba Gandhi Marg, New Delhi 110 001, being the IPO grading agency appointed pursuant to clause 2.5A of the SEBI Guidelines
Issue	The issue of 3,700,000 Equity Shares of Rs.10 each at a price of [●] each for cash, aggregating [●] by the Company under the RHP and the Prospectus
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus or the Prospectus. The Issue Price will be decided by the Company in consultation with the BRLMs and the CBRLM on the Pricing Date
KMCC	Kotak Mahindra Capital Company having its registered office at 3rd Floor, Bakthawar, 229, Nariman Point, Mumbai 400 021
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount

Term	Description
Mutual Fund Portion	5% of the QIB Portion or 111,000 Equity Shares available for allocation to Mutual Funds only
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Non Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than eligible NRIs)
Non Institutional Portion	The portion of the Issue being up to 370,000 Equity Shares of Rs.10 each available for allocation to Non Institutional Bidders.
Pay-in Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable.
Pay-in-Period	1. 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 2. With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the closure of the Pay-in Date
Price Band	Price band of a minimum price (Floor Price) of Rs. 460 and the maximum price (Cap Price) of Rs. 510 and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLMs and the CBRLM finalize the Issue Price
Prospectus	The Prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount
QIB Portion	The portion of the Issue being 2,220,000 Equity Shares of Rs.10 each to be allotted to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit, NEFT or RTGS as applicable
Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited having its registered office as indicated on the cover page
Retail Individual Bidder(s)	Individual Bidders (including HUFs) who have not Bid for Equity Shares for an amount more than or equal to Rs. 100,000 in any of the bidding options in the Issue (including HUF applying through their Karta and eligible NRIs)

Term	Description
Retail Portion	The portion of the Issue being up to 1,110,000 Equity Shares of Rs.10 each available for allocation to Retail Bidder(s)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	This Red Herring Prospectus which will be filed with RoC in terms of Section 60B of the Companies Act, at least 3 days before the Bid/ Issue Opening Date
Stock Exchanges	NSE and BSE
Syndicate	The BRLMs, the CBRLM and the Syndicate Member
Syndicate Agreement	Agreement between the Syndicate and the Company in relation to the collection of Bids in this Issue
Syndicate Member	Kotak Securities Limited
TRS/ Transaction Registration Slip	The slip or document issued by the Syndicate to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs, the CBRLM and the Syndicate Member
Underwriting Agreement	The Agreement between the members of the Syndicate and our Company to be entered into on or after the Pricing Date

Conventional and General Terms/ Abbreviations

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and amendments thereto
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CRZ	Coastal Regulatory Zone Regulations, as amended from time to time
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
DIPP	Department of Industrial Policy and Promotion
DP ID	Depository Participant’s Identity
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting

Term	Description
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FII(s)	Foreign Institutional Investors (as defined under FEMA (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
ITES	Information Technology Enabled Services
Mn / mn	Million
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NOC	No Objection Certificate
NR	Non-resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000

Term	Description
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PLR	Prime Lending Rate
QIB	Qualified Institutional Buyer
RBI	The Reserve Bank of India
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time
Sec. or S.	Section
Securities Act	United States Securities Act, 1933, as amended from time to time
SIA	Secretariat for Industrial Assistance
Stamp Act	Indian Stamp Act, 1899, as amended from time to time
Stock Exchange(s)	NSE and/ or BSE as the context may refer to

Industry Related Terms

Term	Description
AAI	Airport Authority of India
Acre	A unit of measurement equal to 43,560 sq. ft
BOCWA	The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
BOQ	Bill of Quantities
BPO	Business Process Outsourcing
CBD	Core Business District
CDP	Comprehensive Development Plan
CFI	Construction Federation of India
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
CMC	City Municipal Corporation
CRIS INFAC	CRIS INFAC Industry Information Service, a brand of CRISIL Research & Information Services Limited

Term	Description
CRISIL	CRISIL Limited
CRZ	Coastal Regulation Zone
CSO	Central Statistical Organization
E&D	Exploration and Development
EPA	The Environment Protection Act, 1986
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
ERP	Enterprise Resource Planning
ESIA	The Employee State Insurance Act, 1948
FEMA	Foreign Exchange Management Act
FMCG	Fast Moving Consumer Goods
GCC	Gulf Co Operation Council
GDP	Gross domestic product
GFCF	Gross Fixed Capital Formation
HSE	Health, Safety and Environment
HVAC	Heating, Ventilation and Air Conditioning
ISO	Indian Standards Organization
ISRO	Indian Space Research Organization
IT	Information Technology
ITES	Information Technology Enabled Services
KV	Kilo Volt
KWH	Kilowatt Hour
Land Acquisition Act	Land Acquisition Act, 1894, as amended from time to time
LEED	Leadership in Energy and Environmental Design
MWA	The Minimum Wages Act, 1948
NEFT	National Electronic Fund Transfer
NELP	New Exploration and Licensing Policy
PBA	The Payment of Bonus Act, 1965
PGA	The Payment of Gratuity Act, 1972
PPP	Purchasing Power Party
PWA	The Payment of Wages Act, 1936
Registration Act	Registration Act, 1908, as amended from time to time
RMC	Ready Mix Concrete
SBA	Super Built up Area
SEZ	Special Economic Zone
Sq. ft.	Square Feet
TAGR	Annual trend growth rate
TEU	Twenty Foot Equivalent Units

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All numbers in this document have been prescribed in millions or in whole numbers where the numbers have been too small to present in millions.

Our Order Book consists of unbilled portions of our ongoing projects and projects for which we have received orders and are yet to commence construction. For the purposes of this Red Herring Prospectus, the term "Order Book" shall include orders booked with us as well as with our Subsidiary, Consolidated Interiors Limited.

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our restated consolidated and unconsolidated financial statements prepared in accordance with Indian GAAP and the SEBI Guidelines, which are included in this Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31 of the next year. So all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year.

We have not attempted to quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

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

Market and industry data used in this Red Herring Prospectus has generally been obtained or derived from industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been verified. Similarly, we believe that the internal company reports are reliable however they have not been verified by any independent sources.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the construction industry in India and methodologies and assumptions may vary widely among different industry sources. All references to CRISINFAC are to the CRISIL Research Annual Review on the Construction Sector, May 2007.

The following table sets forth, for each period indicated, information concerning the number of Rupees for which one U.S. Dollar can be exchanged as notified by the Reserve Bank of India.

Fiscal year ended March 31,	**Period End**	**Average**	**Low**	**High**
	(Rs. per US$)			
2004	43.39	45.92	43.39	47.46
2005	43.75	44.95	43.36	46.46
2006	44.61	44.28	43.30	46.33
2007	43.59	45.29	43.14	46.95
Calendar month 2007				
August	40.96	40.82	40.36	41.57

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also 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 statement.

Important factors that could cause our actual results to differ materially from our expectations include, but are not limited to, the following:

- Our ability to complete fixed price, fixed cost contracts in accordance with timelines and within budget despite changes in scope, schedule and irregular recoveries of payments from our clients.
- Our ability to maintain our profitability in the event of increases in the price or availability of raw materials, labour or other inputs.
- Our ability to manage our working capital requirements to enable the execution of our projects.
- Our ability to compete with larger, more experienced competitors in a competitive bidding scenario.
- Our ability to anticipate and manage changes or shortages in the supply of skilled or unskilled labour or technology and continue to operate our business.
- Change in the regulatory framework / Government policies with respect to the Construction Industry.
- Increasing competition and the conditions of our clients, suppliers and the construction industry.
- Natural calamities including earthquake, flood, fire and drought in India resulting in an impact on the economy.
- General economic and business conditions in India.
- Our ability to successfully implement our strategy.
- Changes in the value of the Rupee and other currency changes; and
- Changes in political conditions in India.

For further discussion of factors that could cause our actual results to differ, see the sections titled “Risk Factors” and “Management’s Discussion of Financial Condition and Results of Operations” on pages xi and 163, respectively. Neither our Company nor any of the Underwriters nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, the BRLMs and the CBRLM will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II - RISK FACTORS

RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 70 and 163 of this Red Herring Prospectus as well as the other financial and statistical information contained in this Red Herring Prospectus. If any of the following risks actually occur, our business, prospects, 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. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

Risks Relating to our Business

1. ***We are exposed to significant liability under our construction contracts.***

   We provide construction services under contracts entered into by us with our clients. A majority of these contracts specify a period (generally for a period of up to 12 months from date of commissioning) as the defects liability period during which we would have to rectify any defects arising from engineering, procurement and/or construction services provided by us within the warranty periods stipulated in our contracts at our cost. Actual or claimed defects in equipment procured and/or construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, loss of production or suspension of operations. Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. In some of the jurisdictions in which we operate, environmental and workers' compensation liability may be assigned to us as a matter of law. As per AS 7 of the Indian Accounting Standards, construction companies are required to recognize, in the respective accounting period, potential losses that may be incurred in the foreseeable future. These liabilities and costs could have a material adverse effect on our business, results of operations and financial condition.

   In addition, some of our project contracts also provide that we shall be responsible for damage caused by weather or other causes. Certain contracts provide that we shall be liable for any loss whether due to delay in commencing or executing the work, even if delays are due to modifications to work entrusted to the contractor, due to delay in awarding contracts for other trades, in procuring building materials or obtaining water or power or for any reason and that the client would have no liability for delays in any event except in case of temporary suspension of works ordered by the client. Certain contracts also permit out clients to foreclose the contracts at any time due to reduction or abandonment of work and leave us with no recourse in the event of such abandonment. In addition, certain contracts do not provide for a cap on our potential liability. Certain contracts also mandate that we are required to complete the work as per schedule even if payments due to us have not been made. In the event of non-completion of work on schedule, or the discovery of defects in our work, or due to damages to our construction due to factors beyond our control, or any of the reasons stated above, we may incur significant contractual liabilities and losses under our projects contracts and such losses may materially and adversely affect our financial performance and results of operations.

   In addition, we are exposed to cost overruns and price fluctuations under our contracts. We typically provide our services under fixed price contracts. Under these contracts, the value for which we undertake our contracts is inclusive of all taxes and is determined at the time that the said contract is awarded. The said contracts do not permit us to seek a variation in contract value on grounds of any changes in cost of labour, costs of raw materials or the applicable taxes or tax rates. We may be exposed to significant liability under the above contracts in the event of any adverse variation in the costs of labour or materials and in the event of the applicability of any new taxes. Such variation may materially and adversely affect the profitability of an individual project and may materially and adversely affect our financial performance and results of operations. Further, our prices under the fixed price contracts are based on cost, effort and time estimates that are subject to a number of assumptions which may prove erroneous or inaccurate. Cost or time overruns, whether due to inefficiency, faulty estimates or other factors, and may result in our incurring reduced profits or losses on a project.

2. ***Our profitability and results of operations may be adversely affected in the event of increases in the prices of raw materials, sub contracting costs, and costs of consumables and spares or other inputs, or a delay in the supply of raw materials or said inputs.***

The cost of raw materials, sub contracting costs, costs of consumable and spares, and other input costs constitute a significant part of our operating expenses. Our construction operations require various construction raw materials including steel, cement, bricks, building blocks, ready mixed concrete, wood, timber and plywood. For example cost of raw materials, sub contracting costs, costs of consumable and spares, and other input costs constituted 48%, 24%, 4% and 6%, respectively, of our total expenditure in Fiscal 2007. Our ability to pass on increases in the purchase price of raw materials and other inputs may be limited in the case of fixed-price contracts or contracts with limited price escalation provisions. Under the terms and conditions of fixed-price contracts, we generally agree to provide services for the part of the project contracted to us for a fixed price, subject to contract variations pursuant to changes in the client's project requirements. Many of our projects have been performed under fixed-price contracts that contain limited or no price escalation clauses covering increases in the cost of raw materials. We derived approximately 28% of our contract revenue in the year ended March 31, 2007 from such fixed-price contracts. Fixed-price contracts accounted for approximately 15.49% of our Order Book as of July 31, 2007. Our actual expense in executing a fixed-price contract may vary substantially from the assumptions underlying our bid for several reasons, including:

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

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

Further, the timely and cost effective execution of our projects is dependant on the adequate and timely supply of key raw materials. We have not entered into any long-term supply contracts with our suppliers. Additionally, we typically use third-party transportation providers for the supply of most of our raw materials. Transportation strikes by, for example, members of various Indian truckers' unions and various legal or regulatory restrictions placed on transportation providers have had in the past, and could have in the future, an adverse effect on our receipt of supplies. Further, transportation costs have been steadily increasing, and the prices of raw materials themselves can fluctuate. If we are unable to procure the requisite quantities of raw materials in time and at commercially acceptable prices, the performance of our business and results of operations may be adversely affected.

3. ***We have high working capital requirements and we may not be able to raise the required capital for future projects.***

Our business requires a large amount of working capital, used significantly to finance the purchase of materials, the hiring of equipment and the performance of engineering, construction and other work on projects before payments are received from clients. In certain cases, we are contractually obligated to our clients to fund the working capital requirements of our projects.

Our working capital requirements may increase if, under certain contracts, payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burdens. We typically invoice our clients for construction work on a "progressive" or "as completed" basis. Our construction projects typically require us to commit extensive resources prior to completing construction. In addition, our working capital requirements have increased in recent years because we have undertaken a growing number of projects within a similar timeframe and due to the growth of the Company's business generally. All of these factors may result, or have resulted, in increases in our working capital needs.

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

We have so far been able to arrange for the financing of all our projects. However, we cannot assure you that market conditions and other factors would permit us to obtain financing on terms acceptable to us. Our ability to arrange financing and the costs of capital of such financing are dependant on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our current projects and other laws that are conducive to our raising capital in this manner. Given the increase in the number of projects being executed by us, our attempts to complete future financings may not be successful or on favourable terms and failure to obtain financing on terms favourable to us could have a material adverse effect on our business and results of operations.

4. ***We may be unable to pre-qualify for certain larger construction contracts and compete with other construction companies.***

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

Additionally within our industry, we compete with many national, regional and local construction firms and in some cases international firms. Some of these competitors have achieved greater market penetration than we have in the markets in which we compete, and some have greater financial and other resources than we do. As a result, we may need to accept lower margins in order for us to compete against competitors that have the ability to accept contracts at lower margins or have a pre-existing relationship with the owner. If we are unable to compete successfully in such markets, our relative market share or profits could be reduced.

5. ***Our ongoing and forthcoming projects may be delayed, cancelled or not fully paid for by our clients.***

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

In addition we provide performance guarantees to certain of our clients which require us to complete projects within a specified time frame. If we fail to complete a project as scheduled, we may generally be held liable for penalties in the form of agreed liquidated damages, which would ordinarily range between 1% to 10% of the total contract price or, in some cases, the client may be entitled to appoint, at our expense, a third party to complete the work. Further certain of our contract do not specify a maximum liability limit. To the extent that such penalties are imposed in a project and are not otherwise covered by the escalations clause in the relevant contracts, the total cost of a project would exceed our original estimates and we could experience reduced profit or a loss on that project. Any incidence of a performance guarantee being invoked against us would adversely affect our financial performance and results of operations.

6. ***Delays associated with the collection of receivables from our clients.***

Our receivables from clients include monies due from clients in respect of completed jobs, on-going jobs and retention monies. There may be delays associated with the collection of receivables from our clients, including government owned, controlled or funded entities and related parties. As of March 31, 2007, Rs. 178.70 million, or 5% of our accounts receivables were outstanding for a period of more than one year. Of the above, no amounts were due from related parties. Our operations involve significant working capital requirements and delayed collection of receivables could adversely affect our liquidity and results of operations. In addition, we may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned, controlled or funded entities.

7. ***The completion of our projects can be delayed on account of our dependency on our contracted labour force.***

The construction industry is labour intensive and continuous access to qualified labour is critical to our business. We rely on an external agency and certain sub-contractors to meet our labour requirements. Currently, we share cordial relations with these third parties and sub-contractors. However, we cannot assure that the same will continue in the future. Any strained relations with these agencies, will severely affect our business requirements, as we may not be able to meet any shortage arising due to this. We also cannot assure you that these agencies will always meet our labour requirements. Additionally, our operations may also be affected by circumstances beyond our control which may be due to work stoppages, labour disputes and or shortage of qualified skilled labour and lack of availability of adequate infrastructure services or even due to local festivities.

Thus, the execution of work on all our projects and consequently, payments for such projects will depend upon the adequate supply of qualified labour by our contractors and the adequate performance work by such labour. A deficiency of service on the part of a contractor or any error or inadequacy in the performance of any work, may result in delayed payment.

8. We have indebtedness and may continue to have indebtedness and debt service obligations following the Issue and are subject to restrictive covenants in certain debt facilities provided to us by our lenders.

As of September 4, 2007, our consolidated indebtedness to various banks and financial institutions amounted to Rs. 3,064.99 million. Our debt servicing ratio for Fiscal 2007 was 3.36. This indebtedness has been secured against our assets. This indebtedness (i) renders us more vulnerable to downturns in our business, which is in turn subject to general economic conditions in India, inflation and other factors; (ii) limits our ability to obtain additional financing, if required and (iii) limits our ability to refinance existing indebtedness on terms favourable to us.

Further, there are certain restrictive covenants in the agreements we have entered into with certain banks and financial institutions for secured and unsecured loans. These restrictive covenants require us to obtain either the prior permission or require us to inform them of various activities, including, among others, alteration of our capital structure, raising of fresh capital or debt, payment of dividend, undertaking new projects or undertaking any merger, amalgamation, restructuring or change in management and further permit the concerned lenders to seek early repayments of, or recall the said loans or enhance the interest rates applicable thereto. Although we have received consent from our lenders for this Issue, these restrictive covenants may affect some of the rights of our shareholders, including receiving dividends. Any additional financing that we require to fund our capital expenditures, if met by way of additional debt financing, may place restrictions on us which may, among other things, increase our vulnerability to general adverse economic and industry conditions; limit our ability to pursue our growth plans; require us to dedicate a portion of our cash flow from operations to make payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditures, meet working capital requirements and use for other general corporate purposes; and limit our flexibility in planning for, or reacting to changes in our business and our industry, either through the imposition of restrictive financial or operational covenants or otherwise. For details of restrictive covenants see “Financial Indebtedness” on page 181.

Any of the above could materially and adversely affect our business and results of operations.

9. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

Although we attempt to maintain the latest technology standards, the technology requirements for businesses in the construction sector are subject to continuing change and development. Some of our existing technologies and processes may become obsolete, performing less efficiently compared to newer and better technologies and processes in the future. The cost of upgrading or implementing new technologies, upgrading our existing equipment or expanding our capacity could be significant and could adversely affect our results of operations.

10. We are dependent on a number of Key Managerial Personnel.

Our performance depends largely on the efforts and abilities of our Board of Directors, Key Managerial Personnel. In particular, our Promoters, including our Chairman and Chief Executive Officer, our Managing Director, our Director, Operations and our Chief Financial Officer who have founded our Company and have been responsible for its management since its inception. The loss of the services of the aforesaid personnel would have a material adverse impact on our business. We do maintain key-man insurance. We are also dependent on other members of our senior management team, including some who have been with the Company since its inception, and the loss of the services of some of these individuals could adversely affect us. Our performance also depends on our ability to identify, attract and retain talent such as engineers, and if we are unable to attract or retain such persons as required, our business could be adversely affected.

11. A portion of our business transactions are with governmental or government-funded entities or agencies. This portion of our business may be adversely affected in the event of a change in governmental policy or practices.

Contracts awarded by central, state and local governmental authorities accounted for approximately 15.80% of our ongoing projects and our projects which are yet to commence as of July 31, 2007, and in the event our business grows, the proportion of contracts awarded by central, state and local governmental authorities could increase. Government focus on and sustained increase in budgetary allocation for investments in the infrastructure sector, and the development of a structured and comprehensive infrastructure policy that encourages greater private sector participation as well as increased funding by international and multilateral development financial institutions in infrastructure projects in India, have resulted in or are expected to result in the commencement of several large infrastructure projects in India. If there is any change in the government or in governmental policies, practices or focus that results in a slowdown in infrastructure projects, our business and results of operations may be adversely affected.

In addition, one of the standard conditions in contracts typically awarded by governments or government-backed entities is that the government or entity, as the client, has the right to terminate the contract for convenience, without any reason, at any time after providing us with notice that may vary from a period of 30 to 90 days. In the event that a contract is so terminated, our results of operations may be adversely affected.

12. Any failure in our IT systems could adversely impact our business.

Our Company relies significantly on our information technology systems and infrastructure, including our proprietary ERP system for its day to day operations. While our company does maintain redundant systems for its operations, any disruptions, temporary or for a longer term, in their functioning could disrupt our ability to track, record and analyze the work in progress, cause loss of data and disruptions in our operations, disrupt our ability to track our projects, recover dues from clients and process financial information. This could have a material adverse effect on our business.

13. Our integration based business expansion subjects us to a number of risks, which may affect our profitability and competitiveness.

We are placing increasing reliance on an expansion of our business based on the integration model, which we believe will become increasingly critical to our business. Our expansion plans involve developing substantial in-house capabilities and workforce. Our ability to compete will be dependent on maintaining the quality of these in-house capabilities at or above the levels available from other similar service providers in the market. In addition, our expansion model has required, and will in the future require us to make capital expenditures and subject us to large direct costs for our in-house operations. If the cost of our capital investment in these in-house capabilities and our expenses attributable to them exceeds the cost of outsourcing or subcontracting these skills or functions to third parties, our profitability and our price competitiveness could be adversely affected.

In addition, in the event of a slow down in the Indian economy or slow down in the real estate or construction industry, our in-house resources may represent significant costs that we may not be able to quickly reduce. Our inability to reduce our dependence on integration during such periods may adversely impact our results of operations and financial condition.

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

We have in the past undertaken, and further intend to undertake strategic acquisitions, investments, partnerships and contractual arrangements in India and abroad to enhance our capabilities and address gaps in industry expertise, technical expertise and geographic coverage. For instance, on May 17, 2006 Consolidated Interiors Limited entered into a goodwill purchase and performance contract with the owner of TrendTech CDAC, an entity engaged in providing interior contracting services. For further details on the same please refer to "History and Certain Corporate Matters — Details of our Subsidiaries" on page 101. It is possible that we may not identify suitable acquisition, investment or associates who are interested to enter into partnership or we may not complete transactions on terms commercially acceptable to us or at all. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may adversely affect our competitiveness or our growth prospects.

If we acquire or enter into arrangements another company, we could have difficulty in assimilating that company's personnel, operations, and work culture. In addition, the key personnel of the acquired company may decide not to work with us and we may not be able to retain the client base of the acquired company. We could also have difficulty in integrating the acquired services or capabilities into our operations. Further, we may be subject to additional regulatory constraints if we decide to acquire companies organized outside India. These difficulties could disrupt our ongoing business, distract our management and people and increase our expenses.

15. ***We may not be able to sustain our growth in the future.***

Our revenues (including other income) have grown from Rs. 1,602.36 million in Fiscal 2004 to Rs. 8,683.71 million in Fiscal 2007, which is a CAGR of 76% and our profit after tax has increased from Rs. 41.20 million in Fiscal 2003 to Rs. 476.77 in Fiscal 2007, which is a CAGR of 126%. We may not be able to sustain such growth in revenues and profits or maintain a similar rate of growth in the future.

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our existing businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. An inability to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

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

Our business strategy is to expand the geographical and functional areas in which we undertake our projects both inside and outside India. Our construction activities have, however, historically been focussed in south India and particularly in Tamil Nadu and Karnataka and primarily in the areas of industrial, commercial and residential construction and have recently expanded to locations in the east and west of India. As we seek to diversify our regional focus we may face the risk that our competitors may be better known in other markets, enjoy better relationships with customers and international joint venture partners, gain early access to information regarding attractive projects and be better placed bid for and be awarded such projects. Increasing competition could result in price and supply volatility, which could cause our business to suffer. In addition we may not have the required amount of experience in the new areas of business in which we propose to venture and therefore may not be able to compete effectively with established and new competitors in these businesses.

17. ***Our work force is exposed to various hazards.***

Our operations subject our workforce to hazards inherent in providing architectural and construction services, such as risk of equipment failure, impact from falling objects, collision, work accidents, fire, or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Although we have taken sufficient insurance coverage to reduce the damage or losses from such circumstances, we cannot assure you that we will not bear any liability as a result of these hazards.

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

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

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

As of August 31, 2007, we employed 2,680 full-time employees. While we believe that we maintain good relationships with our employees and contract labour, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force. The number of contract labourers varies from time to time based on the nature and extent of work contracted to sub-contractors. We enter into contracts with sub-contractors to complete specified assignments. We may however be still liable for any non-compliance or violations by our sub-contractors. Further, any upward revision of wages required by the government to be paid to contract labourers, or offer of permanent employment or the unavailability of the required number of contract labourers, may adversely affect our business and results of our operations.

The continued and uninterrupted supply of labour and the performance of our workforce is also dependent on certain factors in states where we currently carry on our business, and where we propose to expand our operations such as unionization of the labour, political unrest and other factors beyond our control. For example, in Kerala, during the execution of projects for clients in the year 1999, we have faced temporary disruptions which were frequent in nature that was resolved amicably. These disruptions were on account of the demands made by the local unions to engage them and them only or pay for whatever loading and unloading done at sites by our own labour force. Any future disruption of work for factors beyond our control may affect our project delivery schedules, which may have an impact on our profitability and results of operations.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected.

20. We do not own the CCCL trademark or logo.

There is significant goodwill in the CCCL name, trademark and logo, for which trademark applications are currently pending in India. We have developed goodwill in the CCCL name, trademark and logo through advertising and publicity initiatives and as a result of the reputation and goodwill we have developed with our clients.

The use of the CCCL name, trademark and logo has been licensed to us by Samruddhi Holdings, a Promoter Group entity (a partnership firm in which certain of our promoters are partners) under revised letter of understanding dated March 18, 2006 and a letter of amendment dated August 17, 2007 under which we are required to pay 4% of our audited profit before tax at the end of every financial year subject to a maximum of Rs. 20 million per annum to Samruddhi Holdings as consideration for the use of the CCCL name, trademark and logo. For details of the trademark usage agreement refer to "History and Certain Corporate Matters - Material Agreements - Arrangement for use of Brand" on page 99 of the Red Herring Prospectus. If the CCCL name, trademark and logo become unavailable to us in the event of a breach under the agreement, or in the event of a failure by Samruddhi Holdings to protect its intellectual property in the CCCL name, trademark and logo or if the terms under which we have licensed the said name, trademark and logo from Samruddhi Holdings are altered, our business, financial condition and results of operations could be materially and adversely affected.

21. We have entered into, and will continue to enter into, related party transactions.

We have in the course of our business entered into transactions with related parties that include entities forming part of our Promoter Group. For more information regarding our related party transactions, see "Related Party Transactions" on page 130 and page 131 contained in our restated financial statements included in this Red Herring Prospectus. We have, entered into joint ventures with Yuga Homes Limited, a Promoter Group Entity in order to provide construction services in relation to certain properties being developed by Yuga Homes Limited. We have further entered into an arrangement with Samruddhi Holdings, a partnership in which certain of our promoters are the partners for the use of the CCCL brand name and logo. For further details with reference to the above, please refer to "History and Certain Corporate Matters - Material Agreements - Arrangement for use of Brand" on page 99.

Further, our business is expected to involve transactions with such related parties, in the future.

22. The objects of the Issue have not been appraised.

The objects of the Issue for which the funds are being raised have not been appraised by any bank or financial institution. In the absence of such independent appraisal, the requirement of funds raised through this Issue, as specified in the section titled "Objects of the Issue" are based on our estimates and deployment of these funds is at the discretion of our management and our Board of Directors.

Additionally, we have not placed orders for some of the plant and machinery to be financed from the proceeds of this Issue. For the estimates where the orders are yet to be placed, we have relied on quotations received by us and on our past experience. Consequently these estimates may be inaccurate and we may require additional funds to implement the objects of the issue.

23. We are involved in legal proceedings

We are involved in certain legal proceedings. There have been two cases filed before the Deputy Commissioner for Workmen's Compensation, Chennai by in relation to a personal injury suffered by the petitioners, alleging non-payment of workmen's compensation, aggregating to Rs.800,000.

We have filed an appeal before Deputy Commissioner (Appeals) Ernakulam against the assessment of a disputed turnover of Rs. 87,879,740 and sales tax of Rs. 8,084,986 applicable thereon.

Two arbitration proceedings have been initiated against us seeking the recovery of a consolidated amount or Rs. 1,049,770 allegedly due from us on various grounds including the recovery of amounts awarded to us under an arbitration award.

There can be no assurance that the provisions we have made for litigation will be sufficient or that further substantial litigation will not be brought against us in the future. Our failure to successfully defend these or other claims or if our current provisions prove to be inadequate, our business, prospects, financial condition and results of operations could be adversely affected. For more information regarding litigations and arbitrations, refer to "Outstanding Litigation and Material Developments" on page 185.

24. Our contingent liabilities could adversely affect our financial condition.

Our contingent liabilities as disclosed in our financial statements as disclosed on page 132 are as follows:

(Rs. in Million)

Particulars	As At March 31, 2007	As At March 31, 2006	As At March 31, 2005	As At March 31, 2004	As At March 31, 2003
Bank Guarantees (Including Letter of credit)	1,903.47	407.14	100.56	150.93	84.91
Sales Tax	8.12	-	-	-	-
Total	**1,911.59**	**407.14**	**100.56**	**150.93**	**84.91**

We cannot assure you that any or all of our contingent liabilities as at March 31, 2007 will not become direct liabilities. In the event any or all of these contingent liabilities and commitments become direct liabilities, it may have an adverse effect on our business, financial conditions and results of operations.

25. We require certain approvals or licenses in the ordinary course of business.

We require certain approvals, licenses, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval or its renewal. In certain instances our clients apply for the necessary approvals. If we fail or if our clients fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected.

We are yet to apply for certain registrations including registrations for certain of our projects and registration for our regional office at Delhi. We have further applied for certain approvals and not received the same.

See "Government Approvals-Pending Approvals" on page 188. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to incur substantial expenditure. If we fail to comply, or a regulator claims we have not complied, with these conditions, our business, financial condition and results of operations would be materially adversely affected. For more information, see the section titled "Government Approvals" beginning on page 188 of this Red Herring Prospectus.

26. Our Promoters, in conjunction with our Promoter Group Individuals will hold a majority of our Equity Shares after the Issue and can therefore determine the outcome of shareholder voting.

After the completion of this Issue, our Promoters, together with our Promoter Group Individuals will collectively hold approximately 50.23% of our Equity Shares. So long as they hold a majority of our Equity Shares, they will be able to elect our entire Board of Directors and control most matters affecting us, including the appointment and removal of our officers, our business strategy and policies, any determinations with respect to mergers, business combinations and acquisitions or dispositions of assets, our dividend policy and our capital structure and financing. Further, the extent of their shareholding in us may result in delay or prevention of a change of management or control of our company, even if such a transaction may be beneficial to our other shareholders.

27. We have issued Equity Shares in the last 12 months to our Promoters at a price that may be less than the Issue Price and Equity Shares have been issued to our Promoter group by way of bonus issues.

On February 12, 2007 we issued 1,390,900 Equity Shares to certain of Our Promoters at a face value of Rs. 10, which will be less than the Issue Price. The details of the shares issued to our promoters are as follows:

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment
February 12, 2007	1,390,900	10	10	Cash	Preferential Allotment[1]
April 16, 2007	19,953,267	10	10	Bonus	Bonus Issue in the ratio 3:2

1. *Preferential allotment of 649,598 shares to Mr. R. Sarabeswar, 608,968 shares to Mr. S. Sivaramakrishnan, 107,483 shares to Mr. V.G. Janarthanam and 24,851 shares to Mr. T.R. Seetharaman.*

For further details, please refer to notes to capital structure under the section titled "Capital Structure" on page 21. We have further allotted a total of 19,953,267 Equity Shares of our Company of Rs. 10 each by way of bonus issues to our Promoter and Promoter Group Individuals, including to all other shareholders. For further details refer to under the section titled "Capital Structure - Notes to Capital Structure" on Page 98.

28. Other ventures promoted by our Promoters are engaged in a similar line of business

One of our Promoter Group Entities, Yuga Homes Limited is engaged in a similar line of business as us. See 'Our Promoters' on page 122. We have entered into an agreement dated May 25, 2007 with Yuga Homes Limited under which Yuga Homes has agreed not to engage in the same line of business as our company.

The Non Compete Agreement with Yuga Homes Limited is valid in perpetuity unless the combined shareholding of the four of the Promoters i.e. Mr. R. Sarabeswar, Mr. S. Sivaramakrishnan, Mr. V.G. Janarthanam and Mr. T.R. Seetharaman falls below 3% of the paid up capital of the Company.

We cannot assure you that our Promoters will not favour the interests of this or other Promoter Group companies over our interests.

29. Our registered office and certain other premises from which we operate are not owned by us.

We do not own but lease the premises on which our registered office and certain other offices are located. If any of the owners of these leased premises do not renew the agreements under which we occupy the premises on terms and conditions acceptable to us, or at all, we may suffer a disruption in our operations. For further details, see the section titled "Our Business-Properties" on page 70.

30. We are in the process of establishing and developing a food processing special economic zone which may expose us to risks which are unknown and to risks to which we have been previously unexposed.

We have recently proposed the development of a food processing Special Economic Zone through a special purpose vehicle. We have also earmarked approximately 300 acres of land in Tuticorin District, Tamil Nadu for development of a food processing SEZ and received a formal approval from the Government of India for setting up of a Food processing Special Economic Zone in Tuticorin District, Tamil Nadu vide letter No.F-2/589/2006-SEZ dated July 26, 2007. We and our Subsidiaries Consolidated Interiors Limited and CCCL Infrastructure Limited have acquired approximately 126.98 acres of land at this location and propose to convey all of the aforesaid land to our subsidiary, CCCL Infrastructure Limited.

We intend to develop the above SEZ through a joint venture which may involve equity participation by third parties in CCCL Infrastructure Limited. In the event that we are not able to locate suitable parties for such a joint venture, or in the event that the said joint venture does not succeed in satisfactorily developing the proposed SEZ, we may not be able to comply with our obligations in relation to developing the proposed SEZ which may in turn adversely and materially affect our financial condition and results of operations.

We do not have any prior experience in the development or maintenance of food processing units or in the establishment of SEZ's. We cannot assure you that we will compete successfully against experienced operators in this field. We may also incur substantial expenditure in relation to the development of the food processing SEZ. In the event that this business does not perform successfully or in the manner as expected by us, we may not be able to recover the cost that we have incurred. The losses we may suffer could significantly affect our reputation and hamper our growth prospects.

31. A significant portion of our revenues and order book are concentrated in South India

Approximately 92.50% of our Order Book as of July 31, 2007 and 92.2% of revenues for Fiscal 2007 are attributable to projects located in the south of India. Our projects are further concentrated in the states of Tamil Nadu and Karnataka.

In the event that demand for industrial, commercial and infrastructure structures or construction services in general and our construction and construction allied services, in particular, reduces or stops by any reason including without limitation, rain, flood, fire, natural calamities, acts of god, epidemic or endemic diseases, civil unrest, political strife on instability, and in general any factors affecting the stability or profitability of the region in general may materially and adversely affect our financial condition and results of operations.

32. A significant portion of our revenues and order book are concentrated in the IT/ITES sector

Approximately 38% of revenues for Fiscal 2007 are attributable to projects executed for clients in the IT/ITES sector.

In the event that economic downturns in the IT/ITES sector, acts of god, civil unrest, political strife on instability, and in general any factors affecting the stability or profitability of the IT/ ITES industry may reduce the demand for our construction and construction allied services and may consequently materially and adversely affect our financial condition and results of operations.

External Risks

33. Demand for construction services in India depends on domestic, regional and global economic growth.

The construction business is dependent on the level of domestic, regional and global economic growth and development and is directly linked to consumer spending on fixed assets. The rate of growth of India's economy and consequently the demand for construction services in India may fluctuate over the years. During periods of strong growth, demand for such services may grow at a rate as great as, or even greater than, that of the GDP. Conversely, during periods of slow GDP growth, such demand may exhibit slow or even negative growth. There can be no assurance that future fluctuations in economic or business cycles, or other events that could influence GDP growth, will not have a material adverse effect on our business and results of operations.

34. ***Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, financial condition and results of operations.***

Some of our project operations are subject to environmental laws and regulations including the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act 1974 and other regulations promulgated by the Ministry of Environment and the Pollution Control Boards (PCBs) of the relevant states. In addition, some of our operations are subject to risks involving personal injury, loss of life, environmental damage and severe damage to property.

We believe environmental regulation of industrial activities in India will become more stringent in the future. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by governmental authorities and our compliance costs may significantly exceed our estimates. If we fail to meet environmental requirements, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as orders that could limit or halt our operations.

There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material. Clean-up and remediation costs, as well as damages, other liabilities and related litigation, could adversely affect our business, financial condition and results of operations.

35. ***Our business is subject to a significant number of legal and tax regulations and there may be changes in legislation governing the rules implementing them or the regulator enforcing them.***

We currently have operations and staff spread across many states of India. Consequently, we are subject to the jurisdiction of a number of legal and tax authorities and regulations.

The revenues recorded and income earned in these various jurisdictions are taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of our tax liabilities involves the interpretation of local tax laws and related authorities in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year.

Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, VAT, income tax, service tax and other taxes, duties or surcharges introduced from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability. The Government has recently introduced a fringe benefit tax payable in connection with certain expenditures incurred by us and a service tax on rental of commercial properties, which is likely to increase our tax liability.

36. ***Our operations are sensitive to weather conditions.***

We have business activities that could be materially and adversely affected by severe weather. Severe weather conditions may require us to evacuate personnel or curtail services and may result in damage to a portion of our fleet of equipment or to our facilities, resulting in the suspension of operations, and may further prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity. Our operations are also adversely affected by difficult working conditions and extremely high temperatures during summer months and during monsoon, which restrict our ability to carry on construction activities and fully utilize our resources.

We record contract revenues for those stages of a project that we complete, after we receive certification from the client that such stage has been successfully completed. Since revenues are not recognized until we make progress on a contract and receive such certification from our clients, revenues recorded in the first half of our financial year between April and September are traditionally substantially lower compared to revenues recorded during the second half of our financial year. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced.

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

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. Natural calamities could have a negative impact on the Indian economy and may cause suspension, delays or damage to our current projects and operations, which may adversely affect our business and our results of operations.

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

Changes in interest rates could significantly affect our financial condition and results of operations. As of September 4, 2007, Rs. 1,114.52 million of our borrowings were at floating rates of interest. In addition to the above fund based loans, we have also obtained secured non fund based limits classified as contingent liability for the amount of Rs.2,190.53 million. The commission rates in relation to the said non fund based facilities may be revised periodically by our lenders. If the interest or commission rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

Risks relating to India

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

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

40. Political instability or changes in the government could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed many times since 1996. The current central government, which came to power in May 2004, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization could change, and specific laws and policies affecting real estate, foreign investment and other matters affecting investment in our securities could change as well.

In addition, our operations are also subject to the policies and the prevalent approach of the local governments, in areas where we are currently or propose to construct projects. Any change in the local policies or change in the approach of the local government to construction, in the commercial, industrial ore residential spaces, or to the supply of labour, or to the supply of raw materials, or any other factor on which our operations are dependant may adversely affect our operations.

41. ***Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

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

Risks relating to the Investment in Equity Shares

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

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

There has been no recent public market for the Equity Shares prior to this Issue and an active trading market for the Equity Shares may not develop or be sustained after this Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

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

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

44. ***Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.***

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

45. *You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue.*

The Equity Shares will be listed on the NSE and the BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by NSE and BSE. Thereafter, upon receipt of final approval from the NSE and the BSE, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. While we are liable to pay interest, at the then applicable rates, on share allotment moneys if allotments are not made or refund orders are not despatched, and/or demat credits are not made to investors within 15 days of closure of the Bid / Issue. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above.

46. Central Government Approval for arrangement with Samruddhi Holdings

The arrangement with M/s Samruddhi Holdings vide agreement dated 22nd August, 1997, 18th March,2006 and 17th August, 2007 attracts section 314 (1B) and 204 of Companies Act, 1956.

Notes to Risk Factors

- Public Issue of 3,700,000 Equity Shares of Rs. 10 each for cash at a price of Rs.[•] per Equity Share aggregating Rs. [•] million. The Issue would constitute 10.01% of the fully diluted post issue paid-up capital of the Company.
- In terms of Rule 19 (2) (b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, up to 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the 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.
- The net worth of the Company was Rs. 1,842.96 million as of March 31, 2007 as per our restated unconsolidated financial statements included in this Red Herring Prospectus. The net worth of the Company was Rs. 1,856.87 million as of March 31, 2007 as per our restated consolidated financial statements included in this Red Herring Prospectus.
- The net asset value per Equity Share of Rs. 10 each was Rs. 138.55 as of March 31, 2007 as per our restated unconsolidated financial statements included in this Red Herring Prospectus. The net asset value per Equity Share of Rs. 10 each was Rs. 139.59 as of March 31, 2007 as per our restated financial statements included in this Red Herring Prospectus. All numbers presented have been adjusted on post-bonus basis.

- The average cost of acquisition of our Equity Shares by each of our Promoters is as follows:

S. No.	Name of the Promoters	Average Cost of Acquisition per Share (Rs.)
1.	Mr. R. Sarabeswar	5.66
2.	Mr. S. Sivaramakrishnan	7.14
3.	Mr. V.G. Janarthanam	2.38
4.	Mr. T.R. Seetharaman	5.71
5.	Ms. Usha Sarabeswar	0.89
6.	Ms. R. Girija	0.72

- For details of our related party transactions, please refer to “Related Party Transactions” on page 130.
- For details of the interests of our Promoter, Directors and Key Managerial Personnel in our Company, see “Capital Structure” and “Our Management” on page 21 and page 108, respectively.
- Except as disclosed in “Capital Structure” on page 21, we have not issued any shares for consideration other than cash.
- Except as disclosed in “Our Management” and “Our Promoter and Promoter Group” on pages 108 and 122 of this Red Herring Prospectus, none of our Promoters, our Directors and our key managerial employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates.
- Trading in Equity Shares of our Company for all investors shall be in dematerialised form only.
- Any clarification or information relating to the Issue shall be made available by the BRLMs, the CBRLM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLMs, the CBRLM and the Syndicate Member for any complaints pertaining to the Issue.
- Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis. For more information, please refer to the section titled “Basis of Allotment” on Page 221.
- Investors are advised to refer to the section titled “Basis for Issue Price” on page 44.
- Our Company was incorporated as Consolidated Construction Consortium Limited on July 11, 1997 and was issued Certificate of Incorporation bearing No. 18-38610 by the Registrar of Companies, Tamil Nadu. The registered office of our company was shifted from No. 27A, Railway Colony, Nelson Manickam Road, Chennai 600 029 to No. 3, Second Link Street, CIT Colony, Mylapore, Chennai 600 004 with effect from August 22, 1997 by means of a resolution of our Board dated August 22, 1997. The property located at No. 3 was subsequently renumbered as No. 5, Second Link Street, CIT Colony, Mylapore, Chennai 600 004.
- Application to central government is being made in this regard.

SECTION III – INTRODUCTION

SUMMARY OF OUR BUSINESS, STRENGTHS, STRATEGY AND INDUSTRY

Overview

We are a provider of integrated turn-key construction services and have executed or are executing projects across 17 states and union territories in India. We provide integrated turn-key construction services in the industrial, commercial, infrastructure and residential sectors of the construction industry. Our integrated turn-key construction services include a range of (i) construction services such as construction design, engineering, procurement, construction and project management and (ii) construction allied services such as mechanical and electrical ("M&E"), plumbing, fire-fighting, heating, ventilation and air conditioning, interior fit-out services and glazing solutions. We provide these services either directly, through our Subsidiaries, Consolidated Interiors Limited and Noble Consolidated Glazings Limited or in certain cases through third parties.

Our Company was incorporated in 1997 in Chennai by our Promoters, four of whom have over 20 years experience each in the construction sector. Since completing our first project, a temple in Tamil Nadu in 1998, we have executed 334 projects, comprising of 104 industrial projects, 172 commercial projects, 14 infrastructure projects, and 44 residential projects across 14 states and union territories in India. The built up area of the projects constructed by us aggregates approximately 19.0 million sq.ft. comprising of 3.84 million sq.ft. in the industrial sector, 12.68 million sq.ft. in the commercial sector, and 2.48 million sq.ft. in the residential sector. Our projects include factories, residential and commercial buildings, hospitals, hotels, power plants and structures in the infrastructure sector such as water tanks, water supply schemes and bridges. We have regional offices in Chennai, Bangalore, Hyderabad, Delhi, Pune and Kolkata.

As of July 31, 2007 we were executing 146 projects across various states in India of which we are yet to commence construction on ten projects. These projects involved the proposed construction of 4.57 million sq.ft. of industrial space, 17.96 million sq.ft. of commercial space, and 0.55 million sq.ft. of residential space.

As of July 31, 2007, the total value of our order book is Rs. 20,495.68 million. These projects include industrial structures, IT parks, commercial building, airport terminal buildings, hotel, hospitals and educational institutions. Our order book consists of (i) unbilled portions of our ongoing projects and (ii) projects for which we have received orders and are yet to commence construction.

As of August 31, 2007, out of the 500 orders received by us so far (including ten orders received by us since August 1, 2007), 185 have been placed by clients for whom we have executed projects in the past.

We have constructed structures for a variety of private and public sector clients. Our private sector clientele operate in diverse sectors such as IT / ITES, hospitals, hospitality, pharmaceuticals, education, hospitality, manufacturing, retail, malls and multiplexes. Our clients include Infosys Technologies Limited, Ascendas IT Park (Chennai) Limited, Khivraj Technology Park Private Limited, Manipal University, Airport Authority of India Limited, Hi-Tech Carbon (a unit of Aditya Birla Nuvo Limited) and the Infosys Foundation.

Our public sector clients include the AAI and public utility works like power distribution entities and water supply boards.

We have demonstrated the ability to providing engineering services in the field of pre-fabricated buildings including pre cast and pre stressed concrete structures as well as pre fabricated steel structures while servicing our clients.

Some of the prominent projects successfully completed by us include:

- A 10,000 square meter large span prayer hall at Sringeri, using a combination of *in situ* pre cast and large exposed concrete technologies.
- A meditation hall for the Art of Living Foundation at Bangalore.
- A dome structure with a 53 meter diameter for Infosys Technologies Limited in Hyderabad.
- Two parabolic shell structures, each 28 meter wide for Infosys Technologies Limited at Bangalore.
- The 1.8 million sq. ft. Olympia Tech Park for Khivraj Tech Park Private Limited in Chennai. This structure is a gold rated green building and has been awarded the World's Largest Green Building award by LEED, USA.

- Platinum rated green building at the CII-Godrej Green Business Centre in Hyderabad.
- Large pre cast shell units, pre cast folded plates, pre stressed and pre fabricated girders, wall panels and buildings for industrial sheds for various clients.
- Pre fabricated large span portal structure for Intimate Fashions Limited in Chennai.

Some of our prominent ongoing projects include:

- Construction of software development buildings at Mangalore, Bangalore, Bhubaneswar, Chandigarh and construction of hostel facilities at Mysore for Infosys Technologies Limited including provision of .M&E services
- Construction of airport terminal buildings at Thiruchirapalli and Thiruvananthapuram airports.
- Construction of integrated medical campus consisting of hospital, medical college and hostel facilities at Puducherry.
- Construction of industrial facilities on a turn-key basis for a telecommunications special economic zone unit near Chennai.
- Construction of IT park in Chennai with waffle slabs for the parking area.

We provide our services through a concentric integration model which enables us to execute projects from the stage of their design and conceptualization to their completion using a combination of third party suppliers or service providers and in-house resources. To this end, we have developed an in-house software based design capability through our division Ugasoft, developed the ability to provide M&E, HVAC and plumbing services through our M&E division, developed the ability to provide interior fit-out services through our subsidiary Consolidated Interiors Limited and have developed the infrastructure to produce ready mixed concrete and building blocks through our building products division, and the capability to provide glazing and aluminium fabrication services through our Subsidiary, Noble Consolidated Glazings Limited.

Our concentric integration model seeks to ensure that products and services required for execution of our projects meet our quality and delivery standards. This model also seeks to minimize our dependency on third party suppliers for certain key products and services required in the process of execution of our projects.

Our revenues (including other income) have grown from Rs. 1602.36 million in Fiscal 2004 to Rs. 8,683.71 million in Fiscal 2007, which is a CAGR of 76% and our profit after tax has increased from Rs. 41.20 million in Fiscal 2003 to Rs. 476.77 in Fiscal 2007, which is a CAGR of 126%.

The table below provides a breakdown of our contract revenue from different project segments during Fiscal 2007, 2006, 2005 and 2004.

(Rupees in Million)

Business category	**Fiscal 2007**		**Fiscal 2006**		**Fiscal 2005**		**Fiscal 2004**	
	Contract Revenue	**Percentage (%)**	**Contract Revenue**	**Percentage (%)**	**Contract Revenue**	**Percentage (%)**	**Contract Revenue**	**Percentage (%)**
Industrial	2,890.52	33.48	1,126.17	26.48	589.13	19.24	307.30	19.25
Commercial	5,047.67[1]	58.47	2,642.79	62.15	2,074.19	67.75	979.82	61.39
Infrastructure	150.49	1.74	7.93	0.19	65.63	2.14	17.56	1.10
Residential	276.71	3.21	303.51	7.14	324.83	10.61	291.36	18.26
Building Products	268.00	3.10	171.77	4.04	7.94	0.26	-	-
Total	**8,633.39**	**100.00**	**4,252.17**	**100.00**	**3,061.72**	**100.00**	**1,596.04**	**100.00**

1 includes a revenue of Rs. 136.57 million from Consolidated Interiors Limited.

The following table details our revenues in Fiscal 2007, 2006 and 2005 against geographies:

(Rs. in millions)

Geography	Fiscal		
	2007	2006	2005
East	81.13	31.02	-
South	7,961.92 [1]	3,733.96	2,834.22
West	46.07	-	0.02
North	542.38	485.28	227.48
Domestic	8,631.50	4,250.26	3,061.72
International	1.89	1.91	-
Total	**8,633.39**	**4,252.17**	**3,061.72**

1 *includes a revenue of Rs. 136.57 million from Consolidated Interiors Limited.*

While a substantial portion of our revenues arise from projects located in the South of India, we have established regional offices in the east and west of India in Fiscal 2007.

As of August 31, 2007, we have over 2,680 employees of which approximately 2,135 are qualified engineers or diploma holders. We own and operate construction infrastructure, including equipment like staging and shuttering material, high capacity concrete batching plants, tower cranes, concrete pumps and rotary rigs which have enabled us to leverage our construction experience to execute large and complex construction projects.

We are an ISO 9001:2000 certified Company. Some of our notable awards include the ICI-Birla Super Award for "outstanding open concrete structures for the corporate office building for Reserve Bank Note Mudran Private Limited", the "Employee Employer relationship" from the Rotary Club of Madras, Chena Patna and the "Par Excellence" award from the Builders Association of India. We have also received a souvenir from Infosys Technologies Limited in 2000 for our contribution in constructing Infosys City, Bangalore. Further, in 2001, we have received recognition from Infosys Technologies Limited for our outstanding contribution to the creation of its Software Development Center at Mangalore.

Our Strengths

Our ability to provide integrated turn-key construction services to clients operating in diversified sectors

We are a pure play provider of integrated turn-key construction services and have maintained a business focus on providing quality integrated construction services since our inception. We provide integrated turn-key construction services to clients operating in the industrial, commercial, residential and infrastructure and we build structures ranging from office buildings and hospitals to hotels, malls and multiplexes. Our Company was founded by our Promoters, who are qualified professionals in the area of civil engineering and construction, finance and management, with the objective of creating a pure play company and providing integrated turn-key construction services.

Our systems and processes have been designed with the purpose of managing and executing construction projects based on the experience of our senior management. We believe that our focus and design give us the ability to execute our projects, and deliver services to our clients in an efficient manner.

We have built the requisite competencies to execute projects from their design and conceptualization to their completion by adopting a concentric integration model. We believe that our 'concentric integration' model contributes to our ability to provide our clients with integrated turn-key construction services and permits us to reduce our dependency on third parties while executing our projects. This enables us to ensure that products and services required for development and construction of a project meet quality standards and are delivered on time.

We also own critical construction infrastructure that we require for the execution of our projects including scaffolding, batching plants, concrete pumps, tower cranes and rotary rigs which enable us to execute large and complex projects. It has been our experience that in most cases, the cost of hiring equipment over a period of time is high, and hence we believe that ownership and usage of modern concreting/ shuttering equipment results in a cost advantage for us. Ownership of this infrastructure enables quick mobilization and ensures the continuous availability of critical infrastructure for our various projects.

We further believe that being a pure play provider of core construction and engineering services has allowed us to focus our efforts and resources on developing our capabilities in the areas of construction and engineering.

Our scheme of concentric integration

We have adopted a scheme of concentric integration, which means that we have the key competencies and in-house resources to deliver a project from its conceptualization to completion. Our scheme of concentric integration includes services which are ancillary to our core construction activities including software based design and detailing, interiors contracting services, mechanical, electrical, plumbing and air conditioning design, glazing and aluminium fabrication services and building products division.

The divisions which provide the above additional services are led and managed by persons who are experienced in the areas of their function. The divisions providing the above services are closely integrated with our company wide management systems and processes.

We believe that our concentric integration scheme contributes to our ability to provide our clients with integrated construction services and permits us to reduce our dependency on third parties while executing our projects. It also enables the products and services required by us for the construction of a project meet our quality standards and are delivered in a timely manner. We believe that our scheme of concentric integration has been one of the important contributing factors to our successful completion of a number of projects in a timely manner, without compromising on quality.

Ability to execute innovative and complex structures

We have demonstrated the ability to execute innovative and complex structures. For example, we believe some of our structures like large shell and dome structures, including a large dome constructed for Infosys Technologies Limited in Hyderabad, a large and complex shell structure built for Infosys Technologies Limited in Bangalore, a 10,000 square meter large span prayer hall at Sringeri, using a combination of *in situ* pre cast and large exposed concrete technologies, and a 52 meter long portal span structure for Intimate Fashions Limited in Chennai exhibit our ability to build such unique and innovative structures.

We believe that this ability arises by reason of our possessing the requisite competencies at each stage of the project, right from its conceptualization to the execution of the construction and delivery of the project. At the conceptualization stage, we draw upon the strengths of our architectural and design team, mechanical, engineering and plumbing ("M&E") department, and the structural and project planning team to jointly plan the timely execution and delivery of the concept.

During the construction and delivery stage, we have relied upon the expertise of our project management team, as well as in-house resources or third party service providers to provide us with building products and glazing and aluminium fabrication services and interiors fit out services.

We believe that our demonstrated ability to build complex structures in diverse sectors for diverse clients has provided us the requisite experience to bid for, win and successfully execute such projects.

Our project management capabilities and delivery model coupled with our well documented internal systems and procedures

We believe that we have been successfully able to complete projects on time in a cost efficient manner without compromising on quality due to our project management and delivery model coupled with our well documented internal systems and procedures. The conceptualisation, design and project management aspects of our project are centralised with our planning and project management team located at our regional offices. The management and delivery of our project including their execution, project level costing and ensuring adherence to the delivery schedule, are carried out from the project site. This project management and delivery model enables us to scale-up our operations by seeking to make an optimal utilization of resources available to us and provides us with the ability to consistently adhere to performance and time parameters stipulated in respect of construction projects executed by us. We believe that this ability, combined with the quality of our construction enhances our distinctiveness in a competitive market. We place a special emphasis on seeking to ensure that our quality standards are adhered to at every stage of a project, for every product provided to a client. Our quality standards are documented and our work force is trained to ensure our quality standards are met. The quality of each of our projects is monitored by a separate quality assurance team.

We have developed a set of clearly defined and documented systems, for the management of the tendering, estimation, procurement and execution processes associated with our projects. These systems include

- the preparation of a 'zero cost' estimate of the resources required to execute a project at the commencement of the project,
- tracking of a project based on material, resources and time consumed on a real time basis against such zero cost estimate,
- a set of procedures to control deviations from the zero cost estimate, random audits and monthly physical inventories of materials and expenditure at project sites, and a system of regular review meetings to discuss project related issues with our execution personnel.

All of the above processes are tightly integrated with our in-house developed ERP system and permit real time tracking of a project at our regional offices, and permit significant autonomy at the execution levels while ensuring quality and consistency of output.

Qualified experienced and proven management team

Our management team is well qualified and experienced in the construction industry and has been in many ways responsible for the growth of our operations. In particular, four of our Promoters, who are also a part of the management have over 20 years experience each in the construction sector, and have been instrumental in driving our growth since inception of our business. For details on the qualifications and experience of our senior management team, refer to "Our Management" on page 108. We believe the strength and quality of our Promoters and management have been instrumental in implementing our business strategies.

We believe that our qualified, experienced and well-trained employee base is key to our enjoying a competitive advantage. As of August 31, 2007, we have 2,680 full-time employees, of which approximately 2,135 or approximately 79.66% are qualified engineers or diploma holders, and of which 2,275, or approximately 83%, are employed at our various project sites, while the balance are employed at our corporate office and regional offices. The skill sets of our employees give us the flexibility to adapt to the needs of our clients and the technical requirements of the various projects that we undertake. We are committed to the development of the expertise and know-how of our employees through regular technical seminars and training sessions organized or sponsored by the Company.

We believe that the above qualifications, and the level of information available to our management through our in-house developed ERP system, permits us to give our site level personnel a significant level of autonomy within the limits prescribed by the build plan and zero cost estimate for a given construction. We believe that this autonomy allows our personnel to be more innovative and flexible, and motivates them to perform better while executing their routine duties.

Our Strategy

Continue to focus on the high growth opportunities in industrial, commercial sector construction and increase our focus in infrastructure construction

We believe the continued demand from clients in the IT/ITES sector for commercial space, manufacturing and fabrication sector for industrial space and rising retail demand percolating to tier II and smaller cities and investment in industrial capacity creation will drive growth in the industrial and commercial construction sectors. We intend to take advantage of such growing opportunities industrial and commercial construction by strengthening our existing expertise and continuing to pursue growth opportunities in India. We further believe that the increasing levels of investment in infrastructure by governments and private parties will be a major driver for growth in our domestic business in the foreseeable future and intend to render our construction and construction allied services in relation for infrastructure projects including airports and public utilities.

Focus on projects which provide better margins

We intend to concentrate on projects and prospects in areas which offer higher margins. These may include turnkey projects and projects where our scope of work includes providing integrated construction services like interiors fit out services, M&E services and glazing services. Such projects offer greater profit margins because of the added control over project costs that can be exerted by us. We intend to target the said projects across various sectors and geographies.

Where we enter into contracts primarily through a competitive bidding process, contractors for major projects are selected by clients based on certain pre-qualification parameters including past experience in the execution of similar projects, technical ability and performance, reputation for quality, safety standards, financial strength and the price competitiveness of the bid. We intend to leverage our existing experience as well as our financial position to enhance our chances at the pre-qualification stage and win bids on contracts for larger scale projects.

Furthering our scheme of concentric integration

We believe that our scheme of 'concentric integration' contributes to our ability to provide our clients with integrated turn key construction and construction allied services, and permits us to reduce our dependency on third parties while executing our projects and ensures that the products and services required for development and construction of a project meet our quality standards and are delivered in a timely manner. We believe that our scheme of concentric integration has been one of the important contributing factors to our successful completion of a number of projects in a timely manner, without compromising on quality.

Going forward, we propose to further develop our scheme of concentric expansion by establishing a dedicated interiors factory and developing a capability in glazing and aluminium fabrication through our Subsidiaries, Consolidated Interiors Limited and Noble Consolidated Glazings Limited. We are in the process of identifying the location to establish our interiors factory and glazing and aluminium fabrication factory. We have also identified equipment for our interiors and glazing and aluminium fabrication factory and estimate that we will be required to incur an expenditure of Rs. 57.54 million towards our interiors factory and Rs. 10.43 million towards our glazing and aluminium factory. We believe that by the establishment of a dedicated interiors factory and glazing and aluminium fabrication factory through our subsidiaries will provide us with greater opportunity to leverage our sector specific knowledge and capitalize on the profit margins available.

We also intend to develop our software design capabilities and offer our services to a wider range of clients by upgrading the capacity of our Yuga Design division.

Developing a client base which furthers our corporate goals and objectives

During the course of our history, we have executed projects for reputed clients including Infosys Technologies Limited, Ascendas IT Park (Chennai) Limited, Khivraj Technology Park Private Limited, Manipal University, Airport Authority of India Limited, Hi-Tech Carbon (a unit of Aditya Birla Nuvo Limited) and the Infosys Foundation all of whom have approached us with relationship orders. As of August 31, 2007, out of the 500 orders received by us so far, 185 have been placed by clients for whom we have executed projects in the past.

We believe that our association with certain of our clients has enabled us to service significant portions of their own construction requirements and break into new accounts in which we can provide our services through referrals.

Thus, our strategy for growth also involves continuing to service reputed corporate clients in the future since we believe it would enhance our brand image and standing in the construction industry.

Develop and maintain strong relationships with our clients and strategic partners

Our services are significantly dependent on winning construction projects undertaken by large public and private sector agencies and companies, and infrastructure projects undertaken by governmental authorities and others and funded by governments. Our business is also dependent on developing and maintaining strategic alliances with other contractors with whom we may want to enter into project-specific joint ventures or sub-contracting relationships for specific purposes. We will continue to develop and maintain these relationships and alliances. We intend to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our opportunities.

Focus on increasing our national presence and commence our international operations

We have recently commenced construction activities in the western and eastern part of India in Pune and Kolkata respectively and recently established regional offices in these areas. We intend to extend our operations across India as part of our future business model. Apart from pursuing opportunities in India, our objective is to expand and strengthen our overseas operations such as the Middle East and GCC, by capitalizing on our domestic experience in varied working conditions. We believe that the Middle East, which is experiencing a recent increase in construction activities, is an attractive market in which we can seek to render our services. In this regard, we have entered into an agreement for a joint venture with Tradeline LLC, Dubai, which has generated Rs. 817,295 as revenues in Fiscal 2007.

In international markets, we propose to focus on the medium size contracts where local competition is lesser and we have the capability to compete with large multi national players for such projects.

Attract, train and retain qualified personnel

We understand that maintaining quality, minimising costs and ensuring timely completion of engineering and construction projects depends largely on the skill and workmanship of our employees. As competition for qualified personnel and skilled labours are increasing among construction companies in India and as we pursue greater growth opportunities, we seek to attract, train and retain qualified personnel and skilled labours by increasing our focus on training our staff in advanced and basic engineering and construction technology and skills. We also offer our engineering and technical personnel a wide range of work experience and learning opportunities by providing them with an opportunity to work on a variety of large, complex construction projects and forming cross functional teams with the objective of giving them an opportunity to innovate. We have inaugurated a skill development centre on April 21, 2007 at the outskirts of Chennai to train people on activities like masonry, building materials handling and carpentry and recruit them as building technicians.

We propose to establish a dedicated management development institute on land we own. We estimate that we will be required to incur an expenditure of Rs. 48.57 million towards our skill and management development centres. See “Objects of the Issue” on page 34.

We believe that the establishment of a dedicated skill development centre may serve as a potential source of skilled labour for our operations.

Strengthen capabilities through inorganic expansion.

We primarily enter into contracts through a competitive bidding process or on a cash for services basis. While the majority of our constructions will continue to be on this basis, we intend to seek strategic alliances and form project-specific joint ventures with Indian or foreign companies to target larger scale infrastructure projects. We also intend to develop a food processing Special Economic Zone through a special purpose vehicle through strategic alliances. We intend to leverage the opportunities to gain new clients and enhance offerings to existing clients. We intend to look for strategic acquisition opportunities that have complementary capabilities and help us expand into new geographies.

Investment in new technologies to enable us to use innovative construction methods to increase cost efficiency

We propose to consider investments in innovative construction methods.. We intend to apply this technology in order to execute larger projects and build modular structures in a rapid and cost efficient manner, minimizing labour and time requirements at critical junctures.

Industry Overview

For an overview of our Industry, see “Our Industry” on page 57.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated consolidated financial statements as of and for the years ended March 31, 2007, 2006 and 2005. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and are presented in the section titled "Financial Statements" beginning on page 132. The summary financial information presented below should be read in conjunction with our restated consolidated and unconsolidated financial statements, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 163.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES AS RESTATED - ON A CONSOLIDATED BASIS

(Rupees in Million)

Particulars	As At March 31 2007	As At March 31 2006	As At March 31 2005	As At March 31 2004	As At March 31 2003
FIXED ASSETS					
Gross Block	592.28	214.55	120.16	72.18	59.57
Less: Depreciation	79.98	46.12	27.35	19.73	13.73
Net Block	512.30	168.43	92.81	52.45	45.84
Capital WIP	25.98	-	-	-	-
Investments	0.57	1.68	5.70	1.52	0.97
Current Assets, Loans and advances					
Contract work in progress/stocks	3,391.52	1,340.11	616.57	313.40	209.15
Sundry debtors	44.63	44.39	13.11	6.34	1.43
Cash and bank balances	889.22	898.35	81.93	88.94	57.84
Loans and advances	568.72	110.11	95.05	59.32	42.30
TOTAL (A)	**5,432.94**	**2,563.07**	**905.17**	**521.97**	**357.53**
LIABILITIES AND PROVISIONS					
Secured loans	1,154.34	292.19	262.41	90.78	36.48
Unsecured loans	-	-	10.98	23.25	-
Current liabilities	2,178.57	737.98	357.24	237.34	193.44
Provisions					
Provisions for Tax	77.55	27.53	44.50	22.50	17.70
Provisions for Dividend (including dividend distribution tax)	-	24.77	-	3.99	3.86
Deferred Tax liability	165.61	78.33	5.29	3.30	2.44
TOTAL (B)	**3,576.07**	**1,160.80**	**680.42**	**381.16**	**253.92**
NET WORTH (A-B)	**1,856.87**	**1,402.27**	**224.75**	**140.81**	**103.61**
Net worth Represented by					
Share Capital	133.02	119.11	42.63	17.93	17.93
Reserve & Surplus	1,739.90	1,297.39	182.16	122.93	85.75
Less- Misc Expenditure	(16.05)	(14.23)	(0.04)	(0.05)	(0.07)
(to the extent not written off or adjusted)					
Net Worth	**1,856.87**	**1,402.27**	**224.75**	**140.81**	**103.61**

CONSOLIDATED CONSTRUCTION CONSORTIUM LIMITED

SUMMARY STATEMENT OF PROFITS & LOSSES, AS RESTATED - ON A CONSOLIDATED BASIS

(Rupees in Million)

Particulars		As At March 31 2007	As At March 31 2006	As At March 31 2005	As At March 31 2004	As At March 31 2003
INCOME						
Contract Revenue		8,633.39	4,252.17	3,061.72	1,596.04	1,256.15
Other income		50.32	12.37	6.33	6.32	4.31
Total Income	**(A)**	**8,683.71**	**4,264.54**	**3,068.05**	**1,602.36**	**1,260.46**
EXPENDITURE						
Operating expenses		7,131.17	3,489.54	2,678.34	1,390.84	1,095.93
Employee Cost		402.01	220.83	119.45	62.21	55.48
Sales and Administrative Expenses		403.80	204.18	115.49	70.34	47.23
Interest		68.79	40.58	18.89	8.42	6.63
Depreciation		36.34	18.98	9.58	6.00	4.92
Total Expenditure	**(B)**	**8,042.11**	**3,974.11**	**2,941.75**	**1,537.81**	**1,210.19**
PROFIT BEFORE TAX	**(A-B)**	**641.60**	**290.43**	**126.30**	**64.55**	**50.27**
Provision for taxes						
Current tax		(71.99)	(24.44)	(44.50)	(22.50)	(17.70)
Deferred tax		(87.28)	(73.04)	(1.99)	(0.85)	(1.01)
FBT		(5.56)	(3.09)	-	-	-
PROFIT AFTER TAX		**476.77**	**189.86**	**79.81**	**41.20**	**31.56**
ADJUSTMENTS		0.00	0.00	0.00	0.00	0.00
Current tax impact of Adjustments		(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Deferred tax impact of Adjustments		-	-	-	-	-
Total of adjustments after tax impact		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
NET PROFIT FOR THE YEAR AS RESTATED		**476.77**	**189.86**	**79.81**	**41.20**	**31.56**
Profit and loss account (at the beginning of the year)		269.65	136.94	83.37	56.40	38.71
Balance available for appropriation		**746.43**	**326.80**	**163.18**	**97.60**	**70.27**
APPROPRIATION						
Transfer to General Reserve		78.20	32.30	16.30	10.00	10.00
Transfer to Capital Redemption Reserve		-	-	0.10	0.24	-
Dividend						
Preference		-	0.09	0.09	0.09	0.07
Equity		30.05	21.71	8.61	3.45	3.37
Tax on dividend		4.22	3.06	1.14	0.45	0.43
TOTAL		**112.47**	**57.16**	**26.24**	**14.23**	**13.87**
Balance carried forward		**633.96**	**269.64**	**136.94**	**83.37**	**56.40**

STATEMENT OF CASH FLOW AS RESTATED - ON A CONSOLIDATED BASIS

(Rs. In Millions)

Particulars	For the Year Ended 31.03.07	For the Year Ended 31.03.06	For the Year Ended 31.03.05	For the Year Ended 31.03.04	For the Year Ended 31.03.03
A Cash flow from Operating activities					
Net profit after tax	476.77	189.86	79.81	41.20	31.57
Adjustments					
Depreciation	36.34	18.98	7.62	6.00	4.53
Interest expenses	68.78	40.58	18.89	8.42	6.63
Miscellaneous income	(50.32)	(12.37)	(6.33)	(6.32)	(4.08)
Miscellaneous Expenditure written off	-		0.02	0.02	0.02
Provision for tax	77.55	27.53	44.50	22.50	17.70
Diminution in value of investments	-			-	0.02
Deferred tax provided	87.28	73.04	1.99	0.85	1.01
Operating profit before working capital changes	**696.40**	**337.62**	**146.50**	**72.67**	**57.40**
Adjustments for					
Decrease / (Increase) Trade and other receivable	(356.09)	(90.84)	(20.50)	(17.13)	1.24
Decrease / (Increase) Inventories	(2,051.41)	(723.54)	(303.17)	(104.26)	(98.96)
Increase / (Decrease) Trade payable	1,387.86	473.23	115.91	44.03	88.74
Cash (used in) / generated from operation	**(323.24)**	**(3.53)**	**(61.26)**	**(4.69)**	**48.42**
Direct tax paid (net of refunds)	(77.55)	(92.51)	(45.50)	(22.50)	(17.75)
Net cash (used in) / from operating activity (a)	**(400.79)**	**(96.04)**	**(106.76)**	**(27.19)**	**30.67**
B Cash flow from Investing activities					
Sale / (Purchase) of Fixed Asset	(405.78)	(94.57)	(47.89)	(12.46)	(16.54)
Sale / (Purchase) of Investments	1.34	6.09	(4.19)	(0.54)	3.62
Miscellaneous / Deferred Revenue Expenditure	(1.82)	-	-	-	-
Interest/Dividends received	49.68	10.27	6.25	6.16	4.03
Net cash used in investing activities (b)	**(356.58)**	**(78.21)**	**(45.83)**	**(6.84)**	**(8.89)**

(Rs. In Millions)

Particulars	For the Year Ended 31.03.07	For the Year Ended 31.03.06	For the Year Ended 31.03.05	For the Year Ended 31.03.04	For the Year Ended 31.03.03
C Cash flow from Financing activities					
Proceeds from issue of shares	13.91	1,027.42	14.94	-	0.40
Share issue expenses (Private Placement)	-	(14.18)	-	-	-
Redemption of preference share capital	-	(0.70)	-	-	-
Proceeds / (Repayment) - Secured loan	862.15	29.78	171.63	54.30	7.13
Proceeds / (Repayment) - Unsecured loan	-	(10.98)	(12.26)	23.25	-
Interest paid	(68.79)	(40.58)	(18.88)	(8.43)	(6.63)
Dividend paid	(51.76)	(0.09)	(8.71)	(3.54)	(3.43)
Tax on dividend paid	(7.27)	-	(1.14)	(0.45)	(0.43)
Net cash from financing activity (c)	**748.24**	**990.67**	**145.58**	**65.13**	**(2.96)**
Net increase / (decrease) in cash and cash equivalent (a + b + c)	**(9.13)**	**816.42**	**(7.01)**	**31.10**	**18.82**
Cash and cash equivalent (opening)	898.35	81.93	88.94	57.84	39.02
Cash and cash equivalent (closing)	889.22	898.35	81.93	88.94	57.84

THE ISSUE

Equity Shares offered:		
Issue by the Company		3,700,000 Equity Shares of face value of Rs. 10 each
Of which		
A)	Qualified Institutional Buyers (QIB) portion	At least 2,220,000 Equity Shares of face value of Rs. 10 each
	Of which	
	Available for allocation to Mutual Funds only	111,000 Equity Shares of face value of Rs. 10 each
	Balance for all QIBs including Mutual Funds	2,109,000 Equity Shares of face value of Rs. 10 each
B)	Non-Institutional Portion	Up to 370,000 Equity Shares of face value of Rs. 10 each
C)	Retail Portion	Up to 1,110,000 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding prior to the Issue		**33,255,445 Equity Shares of face value of Rs. 10 each**
Equity Shares outstanding after the Issue		**36,955,445 Equity Shares of face value of Rs. 10 each**
Use of Issue Proceeds		**See the section titled "Objects of the Issue" on page 34.**

GENERAL INFORMATION

Our Company was incorporated as Consolidated Construction Consortium Limited on July 11, 1997 and was issued Certificate of Incorporation bearing No. 18-38610 by the Registrar of Companies, Tamil Nadu. The registered office of our company was shifted from No. 27A, Railway Colony, Nelson Manickam Road, Chennai 600 029 to No. 3, Second Link Street, CIT Colony, Mylapore, Chennai 600 004 with effect from August 22, 1997 by means of a resolution of our Board dated August 22, 1997. The premises located at No. 3, Second Link Street, CIT Colony, Mylapore, Chennai 600 004 was allotted the door number No. 5, Second Link Street, CIT Colony, Mylapore, Chennai 600 004.

Registered Office and Corporate Office:

No.5, Second Link Street
CIT Colony, Mylapore
Chennai 600 004. India
Tel: (91 44) 2466 1083
Fax: (91 44) 2499 0225
Company Registration No: 18-38610
CIN: U45201TN1997PLC038610

Address of Registrar of Companies

Office of the Registrar of Companies, Tamil Nadu (Chennai)

Ministry of Company Affairs
Block No. 6, B Wing
Second Floor, Shastri Bhavan
26, Haddows Road
Chennai 600 006

Board of Directors of the Issuer

Name, Designation, Occupation	Age	Address
Mr. R. Sarabeswar Chairman and Chief Executive Officer *Business*	53	1A, Norton Main Road Mandavelipakkam, Chennai 600 028
Mr. S. Sivaramakrishnan Managing Director *Business*	53	No. 27/A, Railway Colony Second Street Nelson Manickam Road, Chennai 600 029
Mr. V.G. Janarthanam Whole Time Director *Business*	51	Flat No. 1A, Door No. 22 Tenth Street, M Block Anna Nagar East, Chennai 600 102
Mr. P. Venkatesh Independent Director *Business*	44	Flat A, No.19, Ceebros Palm, No.6, Police Commissioner Office Road, Egmore, Chennai 600 008
Mr. K. Kannan Independent Director *Service*	68	576 B, Mahesh Jame Jamshed Road Matunga, Mumbai 400 019
Mr. Rajakumar K.E. C Non Executive Director, Nominee Director for UTI Venture Funds *Service*	44	No. 96/A, Seventh Cross Second Main, First Block R.M.V. Second Stage Bangalore 560 094

Name, Designation, Occupation	Age	Address
Mr. Rajesh S. N. Non Executive Director, Alternate Director for Mr. Raja Kumar K.E.C *Service*	36	182, 17th Main 24th Cross, Banashankari Second Stage Bangalore 560 070
Mr. P.K. Sridharan Independent Director *Service*	61	No.5 (Old No.9), 13th Street, Nandanam Extension Post Office Chennai 600 035
Dr. T.S. Vijayaraghavan Independent Director *Service*	66	'Cauvery' No.81, Valmiki Street Thiruvanmiyur Chennai 600 041

For further details of our Directors, see the section titled "Our Management" on page 108.

Company Secretary and Compliance Officer

Mr. M.V.M. Sundar
No.5, Second Link Street
CIT Colony, Mylapore
Chennai 600 004
Tel: (91 44) 2466 1083
Fax: (91 44) 2499 0225
Email: investors@ccclindia.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 allotment, credit of allotted shares in the respective beneficiary account and refund orders.

Book Running Lead Managers

Enam Securities Private Limited
801, Dalamal Towers
Nariman Point
Mumbai 400 021
Tel: (91 22) 6638 1800
Fax: (91 22) 2284 6824
Email: cccl.ipo@enam.com
Website: www.enam.com
Contact Person: Ms. Ashni Sampat

Kotak Mahindra Capital Company Limited
3rd Floor, Bakhtawar
229, Nariman Point
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2284 0492
Email:cccl.ipo@kotak.com
Website: www.kotak.com
Investor Grievance ID : kmccredressal@kotak.com
Contact Person: Mr. Chandrakant Bhole

Co - Book Running Lead Manager

Spark Capital Advisors (India) Private Limited
Second Floor, No.18,
Khader Nawaz Khan Road,
Nungambakkam,
Chennai 600 006
Tel: (91 44) 4205 9901/02/03
Fax: (91 44) 4205 9907
Email: cccl.ipo@sparkcapital.in
Website: www.sparkcapital.in
Contact Person: Mr. S Prasanna

Syndicate Member

Kotak Securities Limited
Bakhtawar, 1st Floor
229, Nariman Point
Mumbai 400 021
Tel : (91 22) 6634 1100
Fax : (91 22) 6634 3927
Email : umesh.gupta@kotak.com
Website: www.kotak.com
Contact Person: Mr. Umesh Gupta

Legal Advisors to the Issue

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

201, Midford House
Midford Garden (Off M. G. Road)
Bangalore 560 001
Tel: (91 80) 2558 4870
Fax: (91 80) 2558 4266

Registrar to the Issue

Karvy Computershare Private Limited
"Karvy House", 46, Avenue 4
Street No.1, Banjara Hills
Hyderabad 500 034
Tel: (91 40) 2331 2454
Fax: (91 40) 2331 1968
Email: cccl.ipo@karvy.com
Website: www.karvy.com
Contact Person: Mr. Murali Krishnan

Bankers to the Issue and Escrow Collection Banks

HDFC Bank Limited
26 A, Narayan Properties
Off. Saki Vihar Road, Andheri (East)
Mumbai 400 072, India
Tel: (91 22) 2856 9228
Fax: (91 44) 2856 9256
Email: viral.kothari@hdfcbank.com
Contact Person: Mr. Viral Kothari

Kotak Mahindra Bank Limited
158, CST Road, Dani Corporate Park
Fourth Floor, Kalina, Santa Cruz (East)
Mumbai 400 098, India
Tel : (91 22) 6759 4850/ 6659 6216
Fax : (91 22) 6648 2710
Email:ibrahim.sharief@kotak.com/mahesh.shedkar@kotak.com
Contact Person: Mr. Ibrahim Sharief/ Mr. Mahesh Shedkar

ABN AMRO Bank N.V.
Brady House, 14 Veer Nariman Road
Horniman Circle, Fort
Mumbai 400 001, India
Tel: (91 22) 6658 5858
Fax: (91 44) 6658 5817
Email: akhouri.malay@in.abnamro.com
Contact Person: Mr. Akhouri Malay

BNP Paribas
No. 1 Forbes, Sixth Floor
Dr. V.B. Gandhi Marg
Mumbai 400 023, India
Tel: (91 22) 6618 2650
Fax: (91 22) 6633 7521
Email: amar.kampani@asia.bnpparibas.com
Contact Person: Mr. Amar Kampani

Standard Chartered Bank
19, Rajaji Salai, Fifth Floor,
Chennai 600 001, India
Tel: (91 44) 2534 9266
Fax: (91 44) 2534 2417
Email: Mathews.Ram@in.standardchartered.com
Contact Person: Ms. Liza Mathews Ram

Bankers to the Company

Bank of Baroda
No. 74, Theagaraya Road
T Nagar, Chennai 600 017, India
Tel: (91 44) 2345 4316/17/18
Fax: (91 44) 2345 4344
Email: theaga@bob.co.in
Contact Person: Mr. Shailesh Shah

State Bank of India
Leather and International Branch
Mid Corporate Group
'MVJ' Towers, 177/1, P.H. Road,
Kilpauk, Chennai 600 010, India
Tel: (91 44) 2828 7901
Fax: (91 44) 2826 8456
Email: dgm.07024@sbi.co.in
Contact Person: Mr. Gandhinathan

Industrial Development Bank of India
Greames Road Branch, P.M. Tower,
37, Greames Road, Chennai 600 006, India
Tel: (91 44) 5551 0123
Fax: (91 44) 2829 5370
Email: anand_s@idbibank.com
Contact Person: Mr. S. Anand

IPO Grading Agency

ICRA Limited
1105, Kailash Building 11th Floor,
26, Kasturba Gandhi Marg
New Delhi 110 001
Tel: (91 11) 2335 7940-50
Fax: (91 11) 2335 7014
Email: vikas@icraindia.com
Contact Person: Mr. Vikas Agarwal

Statutory Auditors

Murali Associates
No. 39 (Old No. 19), First Main Road
R.A. Puram, Chennai 600 028
Tel: (91 44) 2431 2201
Fax: (91 11) 2431 2202
Contact Person: Mr. K. Venkatraman
Email: muraliassociates@eth.net

Inter se List of Responsibilities between the Book Running Lead Managers

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

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

Credit Rating

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

IPO Grading

This Issue being has been graded by ICRA Limited as IPO Grade 3 indicating average fundamentals. For details in relation to the Report of the Grading Agency, refer to "Material Contracts and Documents for Inspection" on page 278.

Trustees

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

Project Appraisal

There is no project being appraised.

Book Building Process

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

1. The Company;
2. The BRLMs and the CBRLM;
3. Syndicate Member who is an intermediary registered with SEBI or registered as brokers with NSE / BSE and eligible to act as Underwriters. The Syndicate Member are appointed by the BRLMs and the CBRLM; and
4. Registrar to the Issue.

In terms of Rule 19 (2)(b) of the Securities Contract Regulation Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, up to 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the 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.

Pursuant to amendments to SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. Please refer to the section titled "Terms of the Issue" on page 202.

We will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs and the CBRLM to manage the Issue and procure subscriptions to the Issue.

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

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

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 40 to Rs. 44 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	44	500	16.67%
1,000	43	1,500	50.00%
1,500	42	3,000	100.00%
2,000	41	5,000	166.67%
2,500	40	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 42 in the above example. The Issuer, in consultation with the BRLMs and the CBRLM, will finalise the issue price at or below such cut-off price, i.e., at or below Rs. 42. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

1. Check eligibility for making a Bid (see section titled "Issue Procedure - Who Can Bid" on page 207);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. If your Bid is for Rs. 50,000 or more, ensure that you have mentioned your PAN and attached copies of your PAN card to the Bid cum Application Form (see the section titled "Issue Procedure -'PAN' or 'GIR' Number" on page 207); and
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs and the CBRLM, reserves the right not to proceed with the Issue at any time including after the Bid/Issue Opening Date without assigning any reason therefor. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing date.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	**:**	**TUESDAY,**	**SEPTEMBER 18, 2007**
BID/ISSUE CLOSES ON	**:**	**FRIDAY,**	**SEPTEMBER 21, 2007**

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bidding/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/ Issue Closing Date, the Bids shall be accepted **only between 10 a.m. and 1 p.m.** (Indian Standard Time) and uploaded until such time as permitted by NSE and BSE on the Bid/ Issue Closing Date.

The Company reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid /Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of the Price Band, subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the NSE and the BSE, by issuing a press release, and also by indicating the change on the websites of the BRLMs and the CBRLM and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to the filing of the Prospectus with RoC, we will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs and the CBRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Member do not fulfil their underwriting obligations. The Underwriting Agreement is dated [•].

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

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

Details of the Underwriters	**Indicated Number of Equity Shares to be Underwritten**	**Amount Underwritten *(Rs. In Million)***
Enam Securities Private Limited 801, Dalamal Towers Nariman Point Mumbai 400 021, India	[•]	[•]
Kotak Mahindra Capital Company Limited 3rd Floor, Bakthawar 229, Nariman Point Mumbai 400 021, India	[•]	[•]
Spark Capital Advisors (India) Private Limited Second Floor, No. 18, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006 India	[•]	[•]
Kotak Securities Limited Bakhtawar, 1st Floor 229, Nariman Point Mumbai 400 021, India	[•]	[•]

The above-mentioned underwriting would be finalized after the pricing and actual allocation.

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

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

CAPITAL STRUCTURE

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

			Aggregate Value at Face Value (Rs.)	Aggregate Value at Issue Price (Rs.)
A.	**Authorized Capital**			
	45,000,000	Equity Shares of face value of Rs. 10 each	450,000,000	-
B.	**Issued, Subscribed and Paid-up Equity Capital before the Issue**			
	33,255,445	Equity Shares of Rs. 10 each fully paid-up before the Issue	332,554,450	-
C.	**Present Issue in terms of this Red Herring Prospectus**			
	3,700,000	Equity Shares of Rs. 10 each	37,000,000	[•]
D.	**Equity Capital after the Issue**			
	36,955,445	Equity Shares of face value of Rs. 10 each	369,554,450	-
E.	**Securities Premium Account**			
	Before the Issue		792,634,630	
	After the Issue		[•]	

The present Issue has been authorized by the Board of Directors in their meeting on March 12, 2007, and by the shareholders of our Company at an Extra Ordinary General Meeting held on April 16, 2007.

1. The authorized capital of Rs. 50,000,000 comprising of 5,000,000 Equity Shares of Rs. 10 each was sub divided into 4,000,000 Equity Shares of Rs. 10 each and 1,000,000 Preference Shares of Rs. 10 each pursuant to a resolution of the shareholders dated January 7, 2002.
2. The authorized capital of Rs. 50,000,000 comprising of 4,000,000 Equity Shares of Rs. 10 each and 1,000,000 Preference Shares of Rs. 10 was increased to Rs. 100,000,000 consisting of 9,000,000 equity shares of Rs. 10 each and 1,000,000 Preference Shares of Rs. 10 each pursuant to a resolution of the shareholders dated December 29, 2004.
3. The authorized capital of Rs. 100,000,000 consisting of 9,000,000 equity shares of Rs. 10 each and 1,000,000 Preference Shares of Rs. 10 each was increased to Rs. 20,000,000 consisting of 19 million Equity Shares of Rs. 10 each and 1,000,000 Preference Shares of Rs. 10 each pursuant to a resolution of the shareholders dated July 22, 2005.
4. The authorized capital consisting of 19 million Equity Shares of Rs. 10 each and 1,000,000 Preference Shares of Rs. 10 was increased and reclassified to Rs. 450,000,000 consisting of 45,000,000 equity shares of Rs. 10 each pursuant to a resolution of the shareholders dated April 16, 2007.

Notes to the Capital Structure

1. Equity Share Capital History:

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment	Cumulative Issued Capital (Rs.)	Cumulative Share Premium (Rs.)
July 16, 1997	7	10	10	Cash	Subscription to the Memorandum	70	-
March 23, 1998	561,500	10	10	Cash	Preferential Allotment[1]	5,615,070	-

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment	Cumulative Issued Capital (Rs.)	Cumulative Share Premium (Rs.)
March 26, 1999	92,815	10	10	Cash	Preferential Allotment[2]	6,543,220	-
August 2, 1999	152,100	10	10	Cash	Preferential Allotment[3]	8,064,220	-
March 26, 2000	64,600	10	10	Cash	Preferential Allotment[4]	8,710,220	-
July 28, 2000	204,150	10	10	Cash	Preferential Allotment[5]	10,751,720	-
October 18, 2000	13,400	10	10	Cash	Preferential Allotment[6]	10,885,720	-
February 28, 2001	73,500	10	10	Cash	Preferential Allotment[7]	11,620,720	-
March 28, 2001	3,000	10	10	Cash	Preferential Allotment[8]	11,650,720	-
June 28, 2001	99,500	10	10	Cash	Preferential Allotment[9]	12,645,720	-
July 28, 2001	133,350	10	10	Cash	Preferential Allotment[10]	13,979,220	-
August 28, 2001	35,000	10	10	Cash	Preferential Allotment[11]	14,329,220	-
October 29, 2001	15,000	10	10	Cash	Preferential Allotment[12]	14,479,220	-
November 28, 2001	15,000	10	10	Cash	Preferential Allotment[13]	14,629,220	-
February 28, 2002	17,500	10	10	Cash	Preferential Allotment[14]	14,804,220	-
May 28, 2002	242,500	10	10	Cash	Preferential Allotment[15]	17,229,220	-
June 28, 2004	1,722,922	10	10	Bonus	Bonus Issue in the ratio of 1:1	34,458,440	-
January 28, 2005	747,156	10	20	Cash	Rights Issue	41,930,000	7,471,560
June 27, 2005	4,193,000	10	10	Bonus	Bonus Issue in the ratio of 1:1	83,860,000	
July 28, 2005	52,000	10	40	Cash	Preferential Allotment[16]	84,380,000	9,031,560
July 28, 2005	595,500	10	30	Cash		90,335,000	20,941,560
February 18, 2006	100,000	10	10	Cash	Allotment to CCCL Employees Welfare Trust for the purposes of the CCCL ESOP Scheme, 2006	91,335,000	20,941,560
March 31, 2006	2,777,778	10	360	Cash	Preferential Allotment[17]	119,112,780	993,163,860
February 12, 2007	1,390,900	10	10	Cash	Preferential Allotment[18]	133,021,780	993,163,860
April 16, 2007	19,953,267	10	10	Bonus	Bonus Issue in the ratio 3:2	332,554,450	792,634,630

1. *Preferential allotment of 147,000 shares to Mr. S. Sivaramakrishnan, 15,000 shares to Mr. V.G. Janarthanam, 165,000 shares to Mr. R. Sarabeswar, 50,000 shares to Mr. Ayyadurai A, 40,000 shares to Ms. S. Usha, 20,000 shares to Mr. Vidyasekar B, Mr. X. Arulanandan, 10,500 shares to Mr. Radhakrishnan S, 10,000 shares each to Mr. Sudarshan Reddy P. and Ms. Padmavathy, 5,000 shares to each of Ms. R. Girija, Mr. A.S. Vaidyanathan, Ms. Anandhi Seethraman, Mr. Bhaskara Sethuraj, Ms. R. Jayalakshmi, Mr. K. Rajagopal, Mr. K. Sundaram, Ms. K. Priyamvada, Mr. Kolipakkam Mohan, Mr. Dharanidhar K., Mr. Ravi P.N., 4,000 shares to Mr. Ramasamy P, 2,500 shares to Mr. Renganathan Ramamoorthy, Mr. R Balakumar and Ms. Ramadevi Ramamoorthy V, 2,000 shares to Ms. Geetha Subramani, Ms. Easwari Manivannan, Mr. Manivannan K and 1,500 shares to Mr. Subramani S.R.*
2. *Preferential allotment of 7,700 shares to Ms. Jayalakshmi R, 1500 shares to Ms. Geetha Subramoni, 5000 shares to Ms. Soundra Sukumar, 45,000 shares to Ms. Usha Sarabeswar, 13,615 shares to Mr.Sivaramakrishnan S, 10,000 shares to Mr. V. G. Janarthanam and 10,000 shares to Mr. A.S. Vaidyanathan.*
3. *Preferential allotment of 40,000 shares Mr. S. Sivaramakrishnan, 60,000 shares to Ms. Usha Sarabeswar, 5,000 shares to Mr. T.R Seetharaman, 1,000 shares to Ms. Anandhi Seetharaman, 4,300 shares to Ms. R. Jayalakshmi, 3,700 shares to Mr. P. Ramaswamy, 4,000 shares to Mr. X. Arulanandan, 2,100 shares to Mr. S. Radhakrishnan, 1,000 shares to Mr. Bhaskara Sethuraj, 20,000 shares to Mrs. R Girija, 1,000 shares to Mr. P. Gopalakrishnan, 10,000 shares to Mr. V.G. Janarthanam.*

4. *Preferential Allotments of 20,000 shares each to Mr. S. Sivaramakrishnan and Mr. Vaidyanathan A.S.,10,000 shares to Ms. Bhargavi B, 6,500 shares to Mr. Srinivasan R, 3,500 shares to Ms. Shobhana K, 1,500 shares to Ms. Jayaraman S, 1,100 shares to Mr. Ramasamy P and 1,000 shares to each of Ms. Lakshmi Subramaniam and Ms. Letha L.*
5. *Preferential Allotments of 72,500 shares to Ms. Girija R, 65,000 shares to Ms. Usha Sarabeswar, 10,000 shares to Mr. Janarthanam V.G., 7,400 shares to Mr. Radhakrishnan, 5,000 shares each to Ms. Priyamvada, Mr. Ravi PN, Ms. Eswari Manivanan, Ms. Nirmala M and Mr. Vaidyanathan A.S., 4,500 shares to Mr. X. Arulanandan, 3,900 shares to Mr. Ramasamy P, 3,500 shares to Mr. Srinivasan R, 3,200 shares to Ms. Jayalakshmi R, 2,000 shares each to Ms. Padmavathy, Mr. Mohan K and Mr. Sivaramakrishnan G, 1,150 shares to Mr. Baskara Sethuraj and 1,000 shares each to Ms. Anandhi Seetharaman and Mr. Seetharaman T.R.*
6. *Preferential Allotment of 2,400 shares to Mr. Ramasamy P, 7,500 shares to Mr. Ramachandran S. and 3,500 shares to Mr. Sridharan S.*
7. *Preferential Allotment of 3,500 shares to Mr. Ramasamy P, 20,000 shares to Mr. Subramania Iyer Vishwanathan, and 50,000 shares to Mr. Sivarajan Balasubramaniam.*
8. *Preferential Allotment of 3,000 shares to be held jointly by Mr. S. Sridharan and Ms. Bhuvana Sreedharan.*
9. *Preferential Allotment of 76,000 shares to Ms. Usha Sarabeswar, 8,000 shares to Mr. A.S. Vaidyanathan, 4,000 shares to Mr. X. Arulanandan, 2,000 shares to Mr. P. Ramaswamy, 1,000 shares to Mr. TR. Seetharaman,1,000 shares to Ms. Anandhi Seetharaman, 2,500 shares to Ms. Geetha Subramani, and 5,000 shares to Mr. R.S. Manavalan.*
10. *Preferential Allotment of 1,350 shares to Mr. T. Baskara Sethuraj, 1,20,000 shares to Ms. Girija R., 10,000 shares to Ms. Madhavi Ganesh and 1,000 shares to Mr. D.N. Ram and Ms. T.K. Devanarayanan.*
11. *Preferential Allotment of 30,000 shares to Mr L. Padmanabhan and 5,000 shares to Mr. K. Manivannan.*
12. *Preferential Allotment of 10,000 shares to Mr Subramania Iyer Vishwanathan and 5,000 shares to Ms Rajalakshmi Bharath.*
13. *Preferential Allotment of 15,000 shares to Mr V.G. Janarthanam*
14. *Preferential Allotment of 17,500 shares to Mr. X. Arulanandan*
15. *Preferential Allotment of 7,500 shares to Mr. R. Sarabeswar, 100,000 shares to Ms. Usha Sarabeswar, 100,000 shares to Ms. R. Girija, 30,000 shares to Ms. J. Padmavathy and 5,000 shares to Ms. Anandhi Seetharaman.*
16. *Preferential Allotment of 500,000 shares to Ambattur Constructions Private Limited, 23,000 shares to Ms Usha Sarabeswar, 22,000 shares to Ms. R. Girija, 19,000 shares to Mr. Seetharaman, 15,000 shares to Ms J. Padmavathy, 32,000 shares to Mr. A. Kumar and 36,500 shares to various individuals in lots ranging from 5,000 to 1,500 shares.*
17. *Preferential Allotment of 1,504,631 shares to UTI Venture Funds and 1,273,147 shares to Evolvence.*
18. *Preferential Allotment of 649,598 shares to Mr. R.Sarabeswar, 608,968 shares to Mr. S. Sivaramakrishnan, 107,483 shares to Mr. V.G. Janarthanam and 24,851 shares to Mr. T.R. Seetharaman.*

Other than as mentioned in the table above, we have not made any issue of shares during the preceding one year.

I. Preference Share Capital History:

Date of allotment of the Preference Shares	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment	Cumulative Issued Capital (Rs.)	Cumulative Share Premium (Rs.)
December 28, 2001	30,000	10	10	Cash	Preferential Allotment[1]	300,000	-
August 28, 2002	20,000	10	10	Cash	Preferential Allotment[2]	500,000	-
December 28, 2002	20,000	10	10	Cash	Preferential Allotment[3]	700,000	-

1. *Allotment of 15,000 preference shares each to Mr. Durga Das and Ms Gowri.*
2. *Allotment of 10,000 preference shares each to Mr. L. Padmanabhan and Ms. V. Chandra*
3 *Allotment of 10,000 preference shares to Mr.Durgadoss and 10,000 shares to Ms. Gowri.*

70,000 redeemable preference shares of our company were redeemed at par out of the profits available for distribution as dividend on March 31, 2006. This redemption was approved by a resolution of our Board dated March 28, 2006.

2. **Promoter's Contribution and Lock-in**

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

a. ***Details of Promoters Contribution locked in for three years:***

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

Name	Date of allotment/ acquisition and when made fully paid-up	Nature of allotment	Nature of consider-ation (cash, bonus, kind, etc.)	No. of shares	Face value (Rs.)	Issue price/ purchase price (Rs.)	Percentage of post-issue paid-up capital (%)	Lock-in period (years)
Mr. R Sarabeswar	June 28, 2004	Bonus Issue	Bonus	10,309	10	-	0.03	3
	January 28, 2005	Right Issue	Cash	22,800	10	20	0.06	3
	June 27, 2005	Bonus Issue	Bonus	164,402	10	-	0.44	3
	April 16, 2007	Bonus Issue	Bonus	493,206	10	-	1.33	3
Mr. S. Sivaramakrishnan	June 27, 2005	Bonus	Bonus	119,658	10	-	0.32	3
	April 16, 2007	Bonus Issue	Bonus	575,496	10	-	1.56	3
Mr. V. G. Janarthanam	April 16, 2007	Bonus Issue	Bonus	401,260	10	-	1.09	3
Mr. T.R. Seetharaman	July 28, 2005	Preferential Allotment	Cash	2,533	10	10	0.01	3
	April 16, 2007	Bonus Issue	Bonus	78,300	10	-	0.21	3
Ms. Usha Sarabeswar	April 16, 2007	Bonus Issue	Bonus	2.875,301	10	-	7.78	3
Ms. R Girija	April 16, 2007	Bonus Issue	Bonus	2,647,825	10	-	7.16	3

b. ***Details of Historical Build up of promoters contribution locked in for three years:***

1. R. Sarabeswar

Date of allotment/ acquisition /transfer	Nature of allotment/transfer	Nature of consideration	No. of shares allotted / (transferred)	Face value (Rs.)	Issue price/ purchase price (Rs.)
July 16, 1997	Cash	Cash	1	10/-	10/-
March 23, 1998	Cash	Cash	165,000	10/-	1,650,000
August 27, 2001	Transfer	Transfer	2,500	10/-	Transfer
January 29, 2002	Transfer	Transfer	20,000	10/-	Transfer
May 28, 2002	Cash	Cash	7,500	10/-	75000
April 29, 2003	Transfer	Transfer	20,200	10/-	Transfer
April 29, 2003	Transfer to Usha Sarabeswar	Gift	(165,000)	10/-	Gift
April 29, 2003	Transfer	Transfer	20,600	10/-	Transfer

Date of allotment/ acquisition /transfer	Nature of allotment/transfer	Nature of consideration	No. of shares Allotted / (transferred)	Face value (Rs.)	Issue price/ purchase price (Rs.)
June 28, 2004	Bonus	Bonus	70,801	10/-	Bonus
January 28, 2005	Rights	Rights	22,800	10/-	Rights
June 27, 2005	Bonus	Bonus	164,402	10/-	Bonus
February 12, 2002	Cash	Cash	649,598	10/-	6,495,980
March 12, 2007	Transfer to Usha Sarabeswar	Gift	(320,000)	10/-	Gift
April 16, 2007	Bonus	Bonus	987,603	10/-	Bonus
Shares held as of date (number of shares allotted or purchased less number of shares transferred)					1,646,005

2. *S. Sivaramakrishnan*

Date of allotment/ acquisition /transfer	Nature of allotment/transfer	Nature of consideration	No. Of shares Allotted / (transferred)	Face value (Rs.)	Issue price/ purchase price (Rs.)
July 16, 1997	Cash	Cash	1	10/-	10
March 23,1998	Cash	Cash	147,000	10/-	1470000
March 26, 1999	Cash	Cash	13,615	10/-	136150
August 2, 1999	Cash	Cash	40,000	10/-	400000
March 26, 2000	Cash	Cash	20,000	10/-	200000
April 29, 2003	Transfer to R. Girija	Gift	(1,000)	10/-	Gift
September 29, 2003	Transfer to R. Girija	Gift	(137,000)	10/-	Gift
June 28, 2004	Bonus	Bonus	82,616	10/-	Bonus
January 28, 2005	Rights	Rights	176,600	10/-	1766000
February 28, 2005	Transfer to R. Girija	Gift	(150,000)	10/-	Gift
June 27, 2005	Bonus	Bonus	191,832	10/-	Bonus
February 12, 2007	Cash	Cash	608,968	10/-	6089680
March 12, 2007	Transfer to R. Girija	Gift	(330,000)	10/-	Gift
April 16, 2007	Bonus	Bonus	993,948	10/-	Bonus
Shares held as of date (number of shares allotted or purchased less number of shares transferred)					1,656,580

3. *V.G. Janarthanam*

Date of allotment/ acquisition /transfer	Nature of allotment/transfer	Nature of consideration	No. Of shares Allotted / (transferred)	Face value (Rs.)	Issue price/ purchase price (Rs.)
July 16, 1997	Cash	Cash	1	10/-	10
March 23, 1998	Cash	Cash	15,000	10/-	150,000
March 26, 1999	Cash	Cash	10,000	10/-	100,000
August 2, 1999	Cash	Cash	10,000	10/-	100,000
July 28, 2000	Cash	Cash	10,000	10/-	100,000
November 27, 2001	Cash	Cash	15,000	10/-	150,000
June 28, 2004	Bonus	Bonus	60,001	10/-	Bonus
January 28, 2005	Rights	Cash	20,000	10/-	200,000
June 27, 2005	Bonus	Bonus	140,002	10/-	Bonus
July 28, 2005	Cash	Cash	5,000	10/-	50,000
November 28, 2006	Gift to Jhanani Priya	Transfer	(5,000)	10/-	Gift
November 28, 2006	Gift to Jhanani Priya	Transfer	(5,000)	10/-	Gift
February 12, 2007	Cash	Cash	107,483	10/-	1,074,830
April 16, 2007	Bonus	Bonus	573,731	10/-	Bonus
Shares held as of date (number of shares allotted or purchased less number of shares transferred)					956,218

4. *T.R. Seetharaman*

Date of allotment/ acquisition /transfer	Nature of allotment/transfer	Nature of consideration	No. Of shares Allotted / (transferred)	Face value (Rs.)	Issue price/ purchase price (Rs.)
August 2, 1999	Cash	Cash	6,000	10/-	60,000
July 28, 2000	Cash	Cash	1,000	10/-	10,000
June 28, 2001	Cash	Cash	1,000	10/-	10,000
June 28, 2004	Bonus	Bonus	8,000	10/-	Bonus
January 28, 2005	Cash	Cash	600	10/-	6,000
June 27, 2005	Bonus	Bonus	16,600	10/-	Bonus
July 28, 2005	Cash	Cash	19,000	10/-	190,000
February 12, 2007	Cash	Cash	24,851	10/-	248,510
April 16, 2007	Bonus	Bonus	115,577	10/-	Bonus
Shares held as of date (number of shares allotted or purchased less number of shares transferred)					192,628

5. *Usha Sarabeswar*

Date of allotment/ acquisition /transfer	Nature of allotment/transfer	Nature of consideration	No. Of shares Allotted / (transferred)	Face value (Rs.)	Issue price/ purchase price (Rs.)
July 16, 1997	Cash	Cash	1	10/-	10
March 23, 1998	Cash	Cash	40,000	10/-	400,000
March 26, 1999	Cash	Cash	45,000	10/-	450,000
August 2, 1999	Cash	Cash	60,000	10/-	600,000
August 28, 1999	Transfer	Transfer	1,000	10/-	10,000
July 28, 2000	Cash	Cash	65,000	10/-	650,000
June 28, 2001	Cash	Cash	76,000	10/-	760,000
February 28, 2002	Transfer	Transfer	20,000	10/-	Transfer
May 28, 2002	Cash	Cash	100,000	10/-	1,000,000
April 29, 2003	Transfer from R. Sarabeswar	Transfer	165,000	10/-	Gift
June 28, 2004	Bonus	Bonus	572,001	10/-	Bonus
January 28, 2005	Rights	Rights	184,056	10/-	Rights
June 27, 2005	Bonus	Bonus	1,328,058	10/-	Bonus
July 28, 2005	Cash	Cash	23,000	10/-	230,000
April 28, 2006	Sale to UTI Investment, Mumbai	Cash	(139,930)	10/-	(1,399,300)
April 28, 2006	Sale to EIF Co Investment III	Cash	(118,403)	10/-	(1,184,030)
March 12, 2007	Transfer from R. Sarabeswar	Gift	320,000	10/-	Gift
April 16, 2007	Bonus	Bonus	4,111,174	10/-	Bonus
Shares held as of date (number of shares allotted or purchased less number of shares transferred)					6,851,957

6. *R. Girija*

Date of allotment/ acquisition /transfer	Nature of allotment/transfer	Nature of consideration	No. Of shares Allotted / (transferred)	Face value (Rs.)	Issue price/ purchase price (Rs.)
July 16, 1997	Cash	Cash	1	10/-	10
March 23, 1998	Cash	Cash	5,000	10/-	50,000
August 2, 1999	Cash	Cash	20,000	10/-	200,000
July 28, 2000	Cash	Cash	72,500	10/-	725,000
August 17, 2001	Cash	Cash	120,000	10/-	1,200,000

Date of allotment/ acquisition /transfer	Nature of allotment/transfer	Nature of consideration	No. Of shares Allotted / (transferred)	Face value (Rs.)	Issue price/ purchase price (Rs.)
May 28, 2002	Cash	Cash	100,000	10/-	1,000,000
April 29, 2003	Transfer	Gift	1,000	10/-	Gift
September 28, 2003	Transfer	Gift	137,000	10/-	Gift
June 28, 2004	Bonus	Bonus	455,501	10/-	Bonus
January 28, 2005	Rights	Cash	146,500	10/-	1,465,000
February 28, 2005	Transfer	Gift	150,000	10/-	Gift
June 27, 2005	Bonus	Bonus	1,207,502	10/-	Bonus
July 28, 2005	Cash	Cash	22,000	10/-	220,000
April 28, 2006	Sale to UTI Investment, Mumbai	Cash	(131,654)	10/-	(1,316,540)
April 28, 2006	Sale to EIF Co Invest III	Cash	(111,401)	10/-	(1,114,010)
March 12, 2007	Transfer	Gift	330,000	10/-	Gift
April 16, 2007	Bonus	Bonus	3,785,923	10/-	Bonus
Shares held as of date (number of shares allotted or purchased less number of shares transferred)					6,309,872

c. Details of share capital locked in for one year:

In addition to the lock-in of the Promoters' contribution specified above, the entire pre-Issue Equity Share capital, excepting 1,805,556 Equity Shares held by UTI Venture Funds (which have been held for a period of more than one year prior to the Issue as prescribed under clause 4.14.2 of the SEBI DIP Guidelines) shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

Locked-in Securities held by promoters may 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 loan and further that the loan has been granted by such banks or financial institutions for the purposes of financing one or more of the Objects of the Issue.

In terms of Clause 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by the Promoter may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In terms of Clause 4.16.1 (a) of the SEBI Guidelines, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

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

3. Our shareholding pattern

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

	Pre-Issue		Post-Issue	
	No. of shares	Percentage (%)	No. of shares	Percentage (%)
Promoters				
Mr. R Sarabeswar	1,646,005	4.95	1,646,005	4.45
Mr. S Sivaramakrishnan	1,656,580	4.98	1,656,580	4.48
Mr. V G Janarthanam	956,218	2.88	956,218	2.59
Mr. T R Seetharaman	192,628	0.58	192,628	0.52
Ms. Usha Sarabeswar	6,851,957	20.60	6,851,957	18.54
Ms. R Girija	6,309,872	18.97	6,309,872	17.07
Promoter Group				
Mr. R. Durgadoss	50,010	0.15	50,010	0.14
Mr. Renganathan Ramamoorthy	22,400	0.07	22,400	0.06
Ms. Lakshmi Subramoni	24,000	0.07	24,000	0.06
Ms. L. Letha	22,250	0.07	22,250	0.06
Ms. J. Padmavathy	424,860	1.28	424,860	1.15
Mr. K. Sundararam	57,500	0.17	57,500	0.16
Mr. K. Rajagopal	49,500	0.15	49,500	0.13
Ms. Anandhi Seetharaman	132,470	0.40	132,470	0.36
Mr. K. Dharanidhar	49,500	0.15	49,500	0.13
Ms. Priyamvada	112,500	0.34	112,500	0.30
Investors				
UTI Venture Funds	4,696,160	14.12	4,696,160	12.71
Evolvence	2,581,205	7.76	2,581,205	6.98
Marvell Holdings Limited	1,288,240	3.87	1,288,240	3.49
CCCL Employee Benefit Trust	250,000	0.75	250,000	0.68
Others including employees*	5,881,590	17.69	5,881,590	15.92
Public Issue	-	-	3,700,000	10.01
Total	**33,255,445**	**100.00**	**36,955,445**	**100.00**

* *Includes a holding of 1,250,000 shares by Ambattur Constructions Limited, 500,000 shares by Mr. X. Arulanandan, 525,000 shares by Mr.A.S. Vaidyanathan, 250,000 shares by CCCL Employees Welfare Trust, 85,000 shares by Mr. Kolipakkam Mohan, and 200,500 shares by Mr. Vidyasekar B.*

The following directors of our Company hold Equity Shares. For details on the shareholding of our Directors, see the section titled "Our Management" on page 108 of this Red Herring Prospectus.

S. No.	Name	Number of Equity Shares Held
1.	Mr. R Sarabeswar	1,646,005
2.	Mr. S Sivaramakrishnan	1,656,580
3.	Mr. V G Janarthanam	956,218
4.	Mr. P. Venkatesh	10
	Total	**4,258,813**

4. (a) Our top ten shareholders as on the date of filing this Red Herring Prospectus are as follows:

S. No.	Name	No. of Equity Shares Held	Percentage (%)
a.	Ms. Usha Sarabeswar	6,851,957	20.60
b.	Ms. Girija R	6,309,872	18.97
c.	UTI Venture Funds	4,696,160	14.12
d.	Evolvence	2,581,205	7.76
e.	Mr. Sivaramakrishnan S	1,656,580	4.98
f.	Mr. Sarabeswar R	1,646,005	4.95
g.	Marvel Holdings	1,288,240	3.87
h.	Ambattur Constructions Limited	1,250,000	3.76
i.	Mr. Janarthanam V G	956,218	2.88
j.	Mr. Vaidhyanathan A S	525,000	1.58

(b) Our top ten shareholders as of ten days prior to filing this Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares Held	Percentage (%)
1.	Ms. Usha Sarabeswar	6,851,957	20.60
2.	Ms. Girija R	6,309,872	18.97
3.	UTI Venture Funds	4,696,160	14.12
4.	Evolvence	2,581,205	7.76
5.	Mr. Sivaramakrishnan S	1,656,580	4.98
6.	Mr. Sarabeswar R	1,646,005	4.95
7.	Marvel Holdings	1,288,240	3.87
8.	Ambattur Constructions Limited	1,250,000	3.76
9.	Mr. Janarthanam V G	956,218	2.88
10.	Mr. Vaidhyanathan A S	525,000	1.58

(c) Our top ten shareholders as of two years prior to filing of this Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares Held	Percentage (%)
1.	Ms. Usha Sarabeswar	2,679,116	29.66
2.	Ms. Girija R	2,437,004	26.98
3.	Ambattur Constructions Limited	500,000	5.53
4.	Mr. Sivaramakrishnan S	383,664	4.25
5.	Mr. Sarabeswar R	328,804	3.64
6.	Mr. Janarthanam V G	285,004	3.15
7.	Mr. X. Arulanandan	250,000	2.77
8.	Mr. Sivarajan Balasubramanian	232,000	2.57
9.	Mr. Vaidhyanathan A S	224,000	2.48
10.	Ms. Padmavathi J	213,000	2.36

5. Employee stock option plans

We have one employee stock option plan (**"CCCL Employee Stock Option Scheme"**) in force which is administered through the trust route. For this purpose the CCCL Employee Benefit Trust has been constituted, in compliance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

The objects of the CCCL Employee Benefit Trust and the provisions of our Articles of Association enable to execute the CCCL Employee Stock Option Scheme and grant options thereunder to eligible employees (as defined thereunder). The trustee of the CCCL Employee Benefit Trust are three employees and one Director, Mr. V.G. Janarthanam. The CCCL Employee Stock Option Scheme was approved by our Board by its resolution dated November 18, 2005 and by our members in general meeting, dated December 16, 2005 and amended by resolution of the Board of Directors May 17, 2007.

Pursuant to the CCCL Employee Stock Option Scheme, 100,000 Equity Shares were issued and allotted to the CCCL Employee Benefit Trust on February 18, 2006 at Rs. 10 each for the purposes of the issuing stock options to our employees against the above shares. The CCCL Employee Benefit Trust currently holds 250,000 shares pursuant to the bonus issue made by us on April 16, 2007.

CCCL Employees Stock Option Scheme

Particulars	Details
Options granted	79,000
Exercise price of options	Rs. 10
Total options vested (including options exercised)	Nil
Options exercised	Nil
Total number of equity shares arising as a result of full exercise of options already granted	Nil
Options forfeited/ lapsed/ cancelled	Nil
Variations in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	171,000

Person wise details of options granted to		
i) Directors	Nil	
ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil	
iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	
Vesting schedule	**Time from date of grant**	**Percentage of shares vesting (%)**
	36 months	35
	48 months	35
	60 months	30
Fully diluted EPS on a pre-issue basis	14.88	
Lock-in	No lock in on shares	
Impact on profits and EPS of the last three years	Nil	

6. No options granted under the CCCL Employee Stock Option Scheme have been vested in any of the grantees thereto, therefore there is no impact on the EPS. As per the grant schedule prescribed under the scheme, the said options will only begin to vest 36 months from the grant date. As a result, there are currently no holders of shares arising from the options granted under the CCCL Employee Stock Option ESOP scheme.
7. The Company, the Promoter, the Directors and the BRLMs and the CBRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.
8. At least 60% of the Issue, that is 2,220,000 shares shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Up to 10% of the Issue, i.e. 370,000 shares shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue, that is 1,110,000 shares 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.
9. Under-subscription, if any, in the Retail or Non Institutional Portion would be met with spill over from other categories or combination of categories at the discretion of the Company in consultation with the BRLMs and the CBRLM.
10. Except allotment of equity shares pursuant to the bonus issue, the Directors, the Promoter, or the Promoter Group have not purchased or sold any securities of the Company, during a period of six months preceding the date of filing this Red Herring Prospectus with SEBI, other than as disclosed below:

Date of Transaction	Transferor	Transferee	Nature of Transaction	Number of Shares	Price at which shares Transferred
July 6, 2007	Mr. Renganathan Ramamoorthy	Ms. Alpana Mundra	Sale	5,600	450
March 12, 2007	Mr. R. Sarabeswar	Ms. Usha Sarabeswar	Gift	320,000	-
March 12, 2007	Mr. S. Sivaramakrishnan	Ms. Girija R.	Gift	330,000	-
November 28, 2006	Mr. V.G. Janarthanam	Ms. Jhanani Priya	Gift	5,000	-
November 28, 2006	Mr. V.G. Janarthanam	Mr. Prathap Narasimhan	Gift	5,000	-

11. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.
12. Except as disclosed in this Red Herring Prospectus, there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.
13. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
14. As on the date of this Red Herring Prospectus, the total number of holders of Equity Shares is 106.
15. We have not raised any bridge loans against the proceeds of the Issue.
16. We have not issued any Equity Shares out of revaluation reserves or for consideration other than cash except for the bonus equity shares issued out of free reserves.
17. Other than options granted under the ESOPs there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares.
18. An oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalising the Basis of Allotment.
19. Our Promoter and members of our Promoter Group will not participate in this Issue.
20. We presently do not intend or propose to alter our capital structure for a period of six months from the date of filing of this Red Herring Prospectus, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except allotment of further Equity Shares under our ESOP Scheme and except that if we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

OBJECTS OF THE ISSUE

The objects of the Issue are to (a) finance the acquisition of construction infrastructure, (b) investment in our Subsidiaries, (c) Expenditures towards our skill and management development centre, (d) repayment of loans, (e) fund expenditures for general corporate purposes, and (f) achieve the benefits of listing on the Stock Exchanges.

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

The details of the utilization of proceeds of our issue less the expenses ("Net Proceeds of the Issue") will be as per the table set forth below:

(In Rs. Million)

S. No.	Expenditure Items	Total cost	Estimated Net Proceeds utilization in the Fiscal			Total estimated amount to be financed from Net Proceeds of the Issue
			2008	2009	2010	
1.	Acquisition of Constructions Infrastructure					
	Concreting Equipments	188.78	52.54	139.04	-	188.78
	Construction Aid equipments	941.04	328.26	490.28	122.50	941.04
	Material Handling equipment	120.01	24.42	95.6	-	120.01
	Piling	52.97	3.05	49.93	-	52.97
	Reinforcement equipment	28.74	0.94	27.80	-	28.74
	Others	42.89	11.33	31.56	-	42.89
2.	Investment in our Subsidiaries				-	
	Consolidated Interiors Limited	57.54	27.92	29.62	-	57.54
	Noble Consolidated Glazings Limited	10.42	8.88	1.55	-	10.42
3.	Expenditures towards our skill and management development centre				-	
	Building	45.66	3.53	42.13	-	45.66
	Equipment & Furniture	2.91	0.22	2.70	-	2.91
4.	Repayment of Loans	[•]	[•]	[•]	[•]	[•]
5.	General corporate purposes	[•]	-	-	-	[•]
	Total	[•]	[•]	[•]	[•]	[•]

Means of Finance

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

The fund requirement and deployment are based on current business plans and internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or in other financial condition, business or strategy. For risks associated with the non appraisal of internal management estimates see "Risk Factors – The Objects of the Issue Have Not Been Appraised".

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We operate in a highly competitive, dynamic market condition, and may have to revise our estimates from time to time on account of new projects that we may pursue including any industry consolidation initiatives, such as potential acquisition opportunities. We may also reallocate expenditure to newer projects or those with earlier completion dates in the case of delays in our existing projects. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, starting projects which are not currently planned, discontinuing projects currently planned and an increase or decrease in the expenditure for a particular project in relation to current plans, at the discretion of the management of the Company. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from our internal accruals and/ or debt.

Details of the Objects

Purchase of Construction Infrastructure

We believe that the ownership of critical and important construction infrastructure equipment has been one of our strengths which have enabled us to qualify for large contracts and complete projects in a timely manner. We believe that our ownership of suitable construction infrastructure will give us the ability to further our integrated turn-key construction services and will add significantly to our construction capabilities and will be a critical factor in enabling us to undertake and execute larger and more complex construction projects in the future. We further believe that our possessing the said infrastructure will enable us to broaden the scope of the services that we provide in house and enable us to execute larger portions of our existing projects and gain access to larger profit margins on the same.

To further our strength we intend to procure the following broad construction infrastructure.

Concreting Equipment

Our building products division currently produces ready mixed concrete from 12 batching plants located at our project sites throughout India. We have estimated a requirement to purchase concreting equipment for a value aggregating Rs. 191.59 million, to produce RMC. We have obtained quotations for the aforesaid plant and machinery. We have as yet not placed any orders, or made any payments in furtherance of the same.

The said concreting equipment is proposed to be acquired in a ready to use condition and is to be put into operation at any of our work sites after procurement. The average expected date of supply of this concreting equipment is three months from the date of placement of orders. The details of the concreting equipment proposed to be acquired by us, and the proposed schedule for their acquisition is given below:

S. No.	Description of item	Quantity	Amount (Rs. in million)	Quotation from	Date of Quotation
1	Batching plant 30 Cum/Hr	4	25.38	Schwing Stetter (India) Pvt Ltd	May 11, 2007
2	Batching plant 56 Cum/Hr	5	46.63	Schwing Stetter (India) Pvt Ltd	May 11, 2007
3	DG Sets – 250 Kva	6	7.06	Sunbeam Generators Private Limited	August 8, 2007
4	DG Sets – 180 Kva	3	2.62	Sunbeam Generators Private Limited	August 8, 2007
5	DG Sets – 125 Kva	3	1.88	Sunbeam Generators Private Limited	August 8, 2007
6	Transit Mixers - AM6SHN	5	5.79	Schwing Stetter (India) Private Limited	May 11, 2007
7	Truck mounted pump	1	19.69	Schwing Stetter (India) Pvt Ltd	May 11, 2007
8	Concrete line pumps - BP 350D*	3	5.64	Schwing Stetter (India) Private Limited	May 11, 2007
9	Concrete line pumps - BP 1800D	5	16.71	Schwing Stetter (India) Private Limited	May 11, 2007

S. No.	Description of item	Quantity	Amount (Rs. in million)	Quotation from	Date of Quotation
10	Concrete line pumps - BP 2800HDRD	3	14.54	Schwing Stetter (India) Private Limited	May 11, 2007
11	Cement Conveyor for 30Cum/ Hr	4	2.59	Convey Tech Systems	May 27, 2007
12	Cement Conveyor for 56Cum/ Hr	5	5.15	Convey Tech Systems	May 11, 2007
13	Fabrication of Silo and vibrator, plant civil works and cementing charges	9	35.10	Quote from Preet Enterprises and internal estimates	August 10, 2007
	Sub Total		**188.78**		

* *Price in Indian Rupees calculated at the exchange rate of 55.74 rupees per Euro as of May 11, 2007. (Source- www.rbi.org.in).*

Construction Aid equipments

We use construction aid equipments such as scaffolding materials in the construction of multi-storeyed structures, more specifically to firm the concrete after it has been poured into the structure and to enable the labourers to perform their tasks at a height. We believe that scaffolding perhaps is critical in our line of business. While certain other construction companies hire this equipment, we as a policy have believed in owning this critical equipment.

We have estimated a requirement to acquire additional scaffolding material for a value aggregating Rs. 941.02 million. We believe that owning the said scaffolding materials and not having to hire the same will enable us to mobilize our resources and render our services to clients in a faster and more efficient manner.

We have obtained quotations for the aforesaid scaffolding equipment. We have as yet not placed any orders, or made any payments in furtherance of the same.

The scaffolding equipment is proposed to be acquired in a ready to use condition and is to be put into operation at any of our work sites after procurement. The average expected date of supply of this scaffolding material is between three to six months from the date of placement of orders. The details of the scaffolding material to be acquired by us, and the proposed schedule for its acquisition is given below:

S. No.	Description of item	Quantity	Amount (Rs. in million)	Quotation from	Date of Quote
(i)	General				
a	6' Vertical	189,200	71.52	Maini Construction Equipments	August 11, 2007
b	4' Vertical	120,400	34.92	Maini Construction Equipments	August 11, 2007
c	3' Vertical	12,900	3.10	Maini Construction Equipments	August 11, 2007
d	4' Horizontal	180,600	74.77	Maini Construction Equipments	August 11, 2007
e	Prop - 3P	94,600	102.17	Maini Construction Equipments	August 11, 2007
f	Prop - 4P	81,700	105.88	Maini Construction Equipments	August 11, 2007
g	Span	68,800	150.47	Maini Construction Equipments	August 11, 2007
h	Floor form	223,600	209.29	Maini Construction Equipments	August 11, 2007
i	Stirrup head	81,700	19.20	Maini Construction Equipments	August 11, 2007
j	5.5 m Ledgers	60,200	43.58	Bombay Hardware	May 12, 2007
k	Couplers	107,500	7.20	Maini Construction Equipments	August 11, 2007

S. No.	Description of item	Quantity	Amount (Rs. in million)	Quotation from	Date of Quote
(ii)	Cup Lock				
a	3 m Shore	25,800	26.70	Maini Construction Equipments	August 10, 2007
b	2.5 m Shore	15,480	14.07	Maini Construction Equipments	August 10, 2007
c	1.2 m Shore	5,160	2.14	Maini Construction Equipments	August 10, 2007
d	0.9 m Shore	3,440	1.15	Maini Construction Equipments	August 10, 2007
e	Ledgers - 1.8 M	77,400	41.10	Maini Construction Equipments	August 10, 2007
f	Ledgers - 1.2 M	17,200	6.66	Maini Construction Equipments	August 10, 2007
g	Diagonal bracing	10,320	17.54	JVR Forgings	August 9, 2007
h	Spindle	12,900	4.45	Maini Construction Equipments	August 10, 2007
i	Drop head	12,900	3.72	Maini Construction Equipments	August 10, 2007
j	U Head	4,300	0.89	Maini Construction Equipments	August 10, 2007
k	Base Plate	4,300	0.52	Maini Construction Equipments	August 10, 2007
	Sub Total		**941.04**		

Material Handling Equipment

We currently use nine tower cranes including three mobile cranes which enable us to execute large construction projects more expeditiously and efficiently and cuts down our dependency on labour and hired equipment. In order to expand the scope of our operations, and to enable us to simultaneously execute multiple projects, we had estimated a requirement to acquire material handling equipment for a value aggregating Rs. 120.01 million.

In addition to the above, we have obtained quotations for the aforesaid material handling equipment.

The material handling equipment proposed to be acquired is proposed to be acquired in a ready to use condition and is to be put into operation at any of our work sites after procurement. The average expected date of supply of these material handling equipment is three to six months from the date of placement of orders. The details of the material handling proposed to be acquired by us, and the proposed schedule for their acquisition is given below:

S. No.	Description of item	Quantity	Amount (Rs. in million)	Quotation from	Date of Quote
1	Tower Crane Model MC 85A	4	38.53	B.G. Shirke	August 10, 2007
2	Tower Crane Model MC 115B	5	55.47	B.G. Shirke	August 10, 2007
3	Mobile Crane	6	13.20	Action Construction Equipment Ltd	May 8, 2007
4	Material Hoist	15	2.17	Lathighaa_Shmi Machineries Mfg. Co.	May 14, 2007
5	Loader	6	8.58	Ingersoll Rand (I) Ltd.	May 23, 2007
6	Submerged Arc Welding Machine	4	2.06	Ameya Industrial Suppliers Pvt Ltd	May 16, 2007
	Sub Total		**120.01**		

Piling Equipment

We currently possess piling equipment in the nature of rotary rigs and vibro-hammer, one each. This equipment enables us to carry out pile foundations on a large scale rapidly. We propose to enhance our abilities to lay pile foundations for complex structures which our customers regularly require us to construct, by acquiring piling equipment and reducing our dependency on third party contractors, for a value aggregating 52.97 million.

We have obtained quotations for the aforesaid piling equipment. We have as yet not placed any orders, or made any payments in furtherance of the same.

The piling equipment proposed to be acquired is proposed to be acquired in a ready to use condition and is to be put into operation at any of our work sites after procurement. The average expected date of supply of this piling equipment is approximately six months from the date of placement of orders. The details of the plant and machinery proposed to be acquired by us, and the proposed schedule for their acquisition is given below:

S. No.	Description of item	Quantity	Amount (Rs. in million)	Quotation from	Date of Quote
1	Piling Rig	1	41.76	Mait s.p.a	May 19, 2007
2	Soil Auger - 750 mm dia	6	0.79	Kamar Spares Pvt Ltd	August 9, 2007
3	Rock Auger - 750 mm dia	6	1.03	Kamar Spares Pvt Ltd	August 9, 2007
4	Double bottom bucket - 750 mm dia	6	1.15	Kamar Spares Pvt Ltd	August 9, 2007
5	Cleaning bucket - 750 mm dia	6	1.03	Kamar Spares Pvt Ltd	August 9, 2007
6	Soil Auger - 800 mm dia	3	0.41	Kamar Spares Pvt Ltd	August 9, 2007
7	Rock Auger - 800 mm dia	3	0.53	Kamar Spares Pvt Ltd	August 9, 2007
8	Soil Bucket (Cutting bucket) - 800 mm dia	3	0.60	Kamar Spares Pvt Ltd	August 9, 2007
9	Cleaning bucket - 800 mm dia	3	0.53	Kamar Spares Pvt Ltd	August 9, 2007
10	Soil Auger - 900 mm dia	3	0.57	Kamar Spares Pvt Ltd	August 9, 2007
11	Rock Auger - 900 mm dia	3	0.66	Kamar Spares Pvt Ltd	August 9, 2007
12	Double bottom bucket - 900 mm dia	3	0.65	Kamar Spares Pvt Ltd	August 9, 2007
13	Cleaning bucket - 900 mm dia	3	0.58	Kamar Spares Pvt Ltd	August 9, 2007
14	Soil Auger - 1000 mm dia	3	0.63	Kamar Spares Pvt Ltd	August 9, 2007
15	Rock Auger - 1000 mm dia	3	0.74	Kamar Spares Pvt Ltd	August 9, 2007
16	Soil Bucket (Cutting bucket) - 1000 mm dia	3	0.69	Kamar Spares Pvt Ltd	August 9, 2007
17	Cleaning bucket - 1000 mm dia	3	0.62	Kamar Spares Pvt Ltd	August 9, 2007
	Sub Total		**52.97**		

Reinforcement Equipment

We currently use reinforcement equipment such as bar bending machine and bar cutting machine which enable us to cut and bend reinforcement steel to the required specifications for the purposes of putting up columns, beams and floor slabs. We require a re-bar cutting and bending total solution which is fully automatic machine which would enable us to cut and bend reinforcement steel at a faster pace while minimizing wastage of steel. We have obtained quotations for the aforesaid material.

We have as yet not placed any orders, or made any payments in furtherance of the same. We have estimated a requirement to acquire reinforcement equipment for a value aggregating Rs. 28.74 million.

The reinforcement equipment proposed to be acquired is proposed to be acquired in a ready to use condition and is to be put into operation at any of our work sites after procurement. The average expected date of supply of these reinforcement equipment is approximately one month from the date of placement of orders except for the Re-bar cutting and bending total solution for which the expected date of supply is approximately eight months from the date of the supply of the order.. The details of the reinforcement equipment proposed to be acquired by us, and the proposed schedule for their acquisition is given below:

S. No.	Description of item	Quantity	Amount (Rs. in million)	Quotation from	Date of Quote
1	Bar bending machine	12	2.00	Sakthi Engineers	May 14, 2007
2	Bar cutting machine	10	1.46	Sakthi Engineers	May 14, 2007
3	Re-bar cutting and bending total solution	1	25.28	Orient Agency	May 20, 2007
	Sub Total		**28.74**		

Others

We are currently testing the capacity to produce 10,000 building blocks per day from our premises located at the outskirts of Chennai. Our existing production of building blocks is far below our anticipated demand. In order to provide for a larger portion of our building products requirement in house, we propose to enhance the capability of our building products division by acquiring certain building products equipment. We have estimated a requirement to acquire equipment for our building product division for a value aggregating Rs. 42.89 million. We have obtained quotations for the aforesaid equipment. We have as yet not placed any orders, or made any payments in furtherance of the same.

The equipment proposed to be acquired is proposed to be acquired in a ready to use condition and is to be put into operation at our existing building products facility. The average expected date of supply of these equipment is three months from the date of placement of orders. The details of these materials proposed to be acquired by us, and the proposed schedule for their acquisition is given below:

S. No.	Description of item	Quantity	Amount (Rs. in million)	Quotation from	Date of Quote
1	Total station	6	2.97	Electro Optics Pvt Ltd	September 1, 2007
2	Mini vibratory roller	6	4.29	Ingersoll Rand (I) Ltd	May 3, 2007
3	Block making machine	4	35.63	Pakona Engineers (I) Pvt Ltd	May 15, 2007
	Sub Total		**42.89**		

We believe that the procurement of the above equipment will add significantly to our construction capabilities and will be a critical factor in enabling us to undertake and execute larger and more complex construction projects in the future.

Investment in skill and management development centre

We have inaugurated a skill development centre on April 21, 2007 at the outskirts of Chennai to train workers in activities like masonry, building materials handling and carpentry etc. and recruit them as building technicians. We propose to expand this facility which we propose to locate on land which we are in the process of identifying. We believe that the above expansion will enable us to train approximately 150 persons in the said skill development centre. We believe that by the establishment of a dedicated skill development centre will facilitate a supply of skilled labour to the Company.

One of the critical skill sets required in our industry is that of lower and middle management personnel to supervise construction and allied activities at our various building sites. Going forward, we propose to establish a dedicated management development centre along with our skill development centre.

We estimate that we will be required to incur an expenditure of Rs. 48.57 million towards the establishment of our skill and management development centre and is proposed to be completed by 2009. We propose to construct the skill and management centre incorporating electrical systems, water supply systems and sanitary, effluent treatment and disposal plants and the funds required for the same are based on internal estimates. We propose to procure the equipment, furniture and other infrastructure for the centre. The break-up of the expenditure is as set forth below:

S. No.	Description of item	Quantity	Amount (Rs. in million)	Quotation from	Date of Quote
1	Buildings	22,000	38.81	Internal estimates	Internal Estimates
2	Fabrication yards	2,300	6.85	Internal estimates	Internal Estimates
3	3 Seater Chair with desk	279	1.00	General Supplies and Agencies	May 22, 2007
4	Revolving chair with cushion seat	144	0.36	General Supplies and Agencies	May 22, 2007
5	Training chair with writing pad	200	0.25	General Supplies and Agencies	May 22, 2007
6	Office table with three drawers	48	0.18	General Supplies and Agencies	May 22, 2007
7	Table side unit (Drawers)	45	0.14	General Supplies and Agencies	May 22, 2007
8	Air-conditioning unit	27	0.98	Entech Hvac	May 22, 2007
	Sub Total		**48.57**		

Investment in our Subsidiaries

Investment in Consolidated Interiors Limited

We believe that offering a broader range of services in house as part of our integrated turn key construction services will help enhance our value proposition to our clients and have with this purpose developed a dedicated interiors division through our Subsidiary Consolidated Interiors Limited. For more details in relation of our concentric integration initiatives and the business of Consolidated Interiors Limited refer to "History and Certain Corporate Matters – Consolidated Interiors Limited."

We propose to make a capital contribution in our Subsidiary by way of subscription to equity shares at par aggregating Rs. 57.54 million. The subscription monies shall be used to purchase the following equipment:

S. No.	Description of item	Quantity	Amount (Rs. in million)	Quotation from	Date of Quote
1	2 HP dust collectors	3	0.10	Ramu Machinery Private Limited	April 26, 2007
2	3 HP dust collectors	2	0.08	Ramu Machinery Private Limited	April 26, 2007
3	5 HP dust collectors	3	0.13	Ramu Machinery Private Limited	April 26, 2007
4	Multi Boaring Machine BST 200	2	1.85	HOMAG India Private Limited	April 11, 2007
5	Manual Pannel Saw CH O3/32/M	2	2.95	HOMAG India Private Limited	April 11, 2007
6	Edge bending machine KDN 530 C	2	5.12	HOMAG India Private Limited	April 16, 2007
7	Post Forming Machine Technogem	2	0.83	HOMAG India Private Limited	April 11, 2007

S. No.	Description of item	Quantity	Amount (Rs. in million)	Quotation from	Date of Quote
8	Spindle Moulder TCL 45E	3	1.43	HOMAG India Private Limited	April 11, 2007
9	Horizontal Belt Sanding Machine L.LN 3000	3	0.79	HOMAG India Private Limited	April 13, 2007
10	Router with tilting head L.R.80I	3	0.76	HOMAG India Private Limited	April 13, 2007
11	Sliding Table Panel Saw TEMA 3200	3	1.44	HOMAG India Private Limited	April 11, 2007
12	Portable Edge Bander with trimer with vacuum pad	3	0.42	Maruthi Packaging Systems (India) Private Limited	April 26, 2007
13	Hot Press SHR 200	2	3.24	Maruthi Packaging Systems (India) Private Limited	April 26, 2007
14	Edge banding Machine Optimat KDN 650 C	2	7.16	HOMAG India Private Limited	April 11, 2007
15	Venture 2 CNC Control Processing Centre	2	11.12	HOMAG India Private Limited	April 11, 2007
16	Optimat MFP 250/MT/15/28	2	20.12	HOMAG India Private Limited	April 11, 2007
	Sub Total		**57.54**		

Investment in Noble Consolidated Glazings Limited

We have been involved in rendering glazing services to various clients by involving third party service providers till date and have incorporated our Subsidiary Noble Consolidated Glazings Limited on 31st May, 2007 with the object of rendering the said services in-house whose accounts are yet to be closed. In furtherance of the above objective, we have entered into a Memorandum of Understanding dated May 23, 2007 with Mr. M. Ramesh Kumar and Mr. A.S. Jaya Gopi who are partners in the concern M/s Noble Associates which has been engaged in providing glazing services. The parties to the agreement have agreed to dissolve their partnership firm M/s Noble Glazings and take up full time employment with Noble Consolidated Glazings Limited with effect from May 31, 2007. Mr. M. Ramesh Kumar and Mr. A.S. Jaya Gopi have also agreed to execute a suitable non compete agreement with our Company.

We believe that the incorporation of Noble Consolidated Glazings Limited and the acquisition of personnel with experience in glazing will enable us to further develop our scheme of concentric expansion. We are in the process of identifying a location for this Subsidiary, wherein our Subsidiary will establish a factory shed and install equipment enabling aluminium fabrication, glass cutting, shaping and glazing activities at the said location. We propose to make a capital contribution in our Subsidiary by way of subscription to equity shares at par aggregating Rs. 10.43 million. The subscription monies shall be used to purchase the following equipment.

S. No.	Description of item	Quantity	Amount (Rs. in million)	Quotation from	Date of Quote
1	Dust Collector Holzmann Make	4	0.60	Techsys Engineering India Private Limited	April 28, 2007
2	Liquid Spray Booth	3	1.21	We Win Enterprises	May 11, 2007
3	Painting Equipments Pressure Spray	4	0.38	Surral Painting Equipments & Systems	May 8, 2007
4	Double Head cutting off machine	1	2.10	LGF Sysmac India Private Limited	May 10, 2007
5	Single head copy router model GRAFO	1	0.60	LGF Sysmac India Private Limited	May 10, 2007

S. No.	Description of item	Quantity	Amount (Rs. in million)	Quotation from	Date of Quote
6	End Milling machine	1	0.48	LGF Sysmac India Private Limited	May 10, 2007
7	Corner crimping machine	1	0.86	LGF Sysmac India Private Limited	May 10, 2007
8	Notching saw machine	1	1.73	LGF Sysmac India Private Limited	May 10, 2007
9	Vertical panel saw machine	1	2.46	LGF Sysmac India Private Limited	May 10, 2007
	Sub Total		**10.42**		

Out of the above quotations, some have been received on a per unit basis.

Repayment of Loans

We intend to repay up to Rs. 160 million of our outstanding debt from the Net Proceeds of the Issue, including any loans we may borrow until the Closing Date. We propose to deploy the entire amount of up to Rs. 160 million during the Fiscal 2008.

For details, see the section titled "*Financial Indebtedness*" on page 181.

The loans that we may repay along with the repayment schedule are as set forth below:

S. No.	Name of the Lender	Nature of the loan	Purpose of Loan	Date of the Loan agreement / Sanction Letter	Outstanding Amounts (Rs. Million)
1	SREI Infrastructure Limited	Hire Purchase Agreement	Acquisition of tower cranes	August 16, 2005	4.52
2.	SREI Infrastructure Limited	Hire Purchase Agreement	Acquisition of batching plant	July 25, 2005	5.39
3.	State Bank of India	Term Loan	Acquisition of construction aid materials	December 16, 2004	31.25
4.	State Bank of India	Term Loan	Acquisition of construction aid materials	August 17, 2005	87.50
5.	HDFC Bank Limited	Hire Purchase	Acquisition of batching plant	November 5, 2005	3.23
	TOTAL				**131.89**

The term loans sanctioned to us are as follows:

S. No.	Name of the Lender	Amount Sanctioned (Rs. In million)
1.	SREI Infrastructure Finance Limited	9.00
2.	SREI Infrastructure Finance Limited	9.84
3.	State Bank of India	750.00
4.	State Bank of India	150.00
5.	HDFC Bank Limited	8.20
	TOTAL	**927.04**

In view of the dynamic nature of our industry our Company may have to revise its business plan from time to time and consequently our fund requirement may also change. Thus our Company may reduce or increase the amount of the prepayment or repayment of the debt as stated above. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder.

General Corporate Purposes

We, in accordance with the policies set up by our Board, will have flexibility in applying the remaining Net Proceeds of this Issue, for general corporate purposes towards construction and project implementation, strategic initiatives and acquisitions, brand building exercises and the strengthening of our marketing capabilities.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds of the Issue, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. In case of surplus, it shall be used for general business purposes. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Issue Related Expenses

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

(Rs. in million)

Activity	Expenses*
Lead management fee and underwriting commissions	[•]
Advertising and Marketing expenses	[•]
Printing and stationery	[•]
Others (Monitoring agency fees, IPO grading fees, Registrars fee, legal fee, etc.)	[•]
TOTAL	[•]

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

Interim use of funds

Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including investments in mutual funds, deposits with banks, for the necessary duration or for reducing overdrafts. Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Issue.

Monitoring Utilization of Funds

Our Audit Committee will monitor the utilization of the Issue proceeds. We will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statements for Fiscal 2008, Fiscal 2009 and Fiscal 2010, specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular Clause 49 of the Listing Agreement.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, our Directors, Promoter group companies or key managerial employees, except in the normal course of our business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by us in consultation with the BRLMs and the CBRLM on the basis of demand from Investors for the Equity Shares through the Book Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is 46 times the face value at the lower end of the Price Band and 51 times the face value at the higher end of the Price Band.

Qualitative Factors

- Our ability to provide integrated turn-key construction services to clients operating in diversified sectors
- Our scheme of concentric integration
- Ability to execute innovative and complex structures
- Our project management capabilities and delivery model coupled with our well documented internal systems and procedures
- Qualified experienced and proven management team

For some of the qualitative factors, which form the basis for computing the price refer to "Our Business" on page 70 and Risk Factors on page xi.

Quantitative Factors

Adjusted Earning Per Equity Share

Year	Adjusted EPS (Rs.)		Weight
	Unconsolidated	Consolidated	
2004-05	20.40	20.40	1
2005-06	21.52	21.52	2
2006-07*	38.24	39.42	3
Weighted Average	**29.69**	**30.28**	

* *The company has issued Bonus Shares on 16.04.2007, The Adjusted EPS pursuant to such Bonus issue shall be at Rs.14.43 & Rs. 14.88 on Unconsolidated & Consolidated financial statements respectively.*

Explanation:-

1. The adjusted Earning per Share has been computed on the basis of the adjusted profits and losses of the respective years drawn after considering the impact of accounting policy changes and material adjustments, prior period items pertaining to the earlier years and dividend on preference shares.
2. The denominator considered for the purpose of calculating adjusted Earnings per Share is the weighted average number of Equity Shares outstanding during the year.

Price / Earning (P/E) ratio

	Particulars	Unconsolidated	Consolidated
1.	Based on Adjusted EPS of 2006-07 at the Floor Price	12.03	11.67
2.	Based on Weighted average EPS at the Floor Price	15.49	15.19
3.	Based on Adjusted EPS of 2006-07 at the Cap Price	13.34	12.94
4.	Based on Weighted average EPS at the Cap Price	17.18	16.84
5.	Industry P/E*		
	• Highest	106.6	
	• Lowest	2.7	
	• Industry Composite	27.3	

* ***Source:*** *Capital Market, August 27 – September 09, 2007*

Return on Net worth (RONW)

Year	RONW %		Weight
	Unconsolidated	Consolidated	
2004-05	35.51	35.51	1
2005-06	13.54	13.54	2
2006-07	25.09	25.68	3
Weighted Average	**22.97**	**23.27**	

Net Asset Value per Equity Share represents net worth, as restated divided by number of Equity Shares outstanding at the end of the period.

Minimum Return on Increased Net Worth required to maintain Pre-Issue EPS:

1. **At the Floor Price -** 39.86% and 40.93% based on Consolidated & Unconsolidated financial statements respectively
2. **At the Cap Price -** 37.89% and 38.91% based on Consolidated & Unconsolidated financial statements respectively

Net Asset Value per share (NAV) after Issue and comparison with Issue Price:

Particulars	NAV (Rs.)	
	Unconsolidated	Consolidated
As at March 31, 2007 (Note)	138.55	139.59
After the Issue	[•]	[•]
Issue Price	[•]	[•]

Note : *The Net Asset Value pursuant to the aforementioned bonus issue shall be Rs. 55.42 and Rs. 55.84 based on unconsolidated and consolidated financial statements respectively.*

NAV per equity share has been calculated as consolidated net worth, as restated, at the end of the year divided by number of equity shares outstanding at the end of the year / period.

Comparison with other listed companies

	EPS (Rs)	P/E Ratio	RoNW (%)	Book Value (Rs.)
Consolidated Construction Consortium Limited*	39.42	[•]	25.68	139.59
PEER GROUP				
B.L. Kashyap and Sons Limited[1]	54.2	23.8	21.6	287.7
JMC Projects (I) Limited[1]	9.1	25.1	20.0	68.2

1. *For the year ended March 31, 2007*

* *On pre bonus issue basis. On post bonus issue basis, the EPS and book value would be Rs. 14.88 and Rs. 55.84.*

Source: Capital Market, August 27 – September 09, 2007

7. The Issue price will be [•] times of the face value of the Equity Shares.

In view of the reasons mentioned above, our Company and the BRLMs and the CBRLM, in consultation with whom the premium has been decided, are of the opinion that the premium is reasonable and justified.

STATEMENT OF TAX BENEFITS

To

The Board of Directors
Consolidated Construction Consortium Limited
#5, II Link Street,
C.I.T. Colony, Mylapore,
Chennai

Dear Sirs,

Sub: Statement of Possible Tax Benefits

We hereby certify that the enclosed statement states the possible tax benefits available to Consolidated Construction Consortium Limited (the "Company") and to the Shareholders of the Company under the provisions of the Income Tax Act, 1961 ("IT Act") and other direct and indirect tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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

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

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

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

For MURALI ASSOCIATES
Chartered Accountants

K.VENKATRAMAN
Partner
Membership No. 200 / 21914

Date : August 14, 2007
Place : Chennai

STATEMENT OF POSSIBLE BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Under the Income-tax Act, 1961 ('IT Act')

Benefits available to the Company

SPECIFIC:

1.1 Additional Depreciation:

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

a. Expenditure on Scientific Research:

An amount equal to one and one-fourth times of any sum paid to a scientific research association, which has its objects of undertaking scientific research or to a university, college or other institution to be used for scientific research, pursuant to Section 35(i)(ii) of the IT Act, provided that such association, university, college or other institution, for the time being approved in this regard.

GENERAL:

Dividends exempt under section 10(34) of the IT Act:

Dividends (whether interim or final) declared, distributed or paid by a domestic company for any assessment year commencing on or after April 1, 2004 (pursuant to Finance Act, 2003) are exempt in the hands of the Company, in its capacity as shareholder, as per the provisions of Section 10(34) of the IT Act, if the same is subject to dividend distribution tax under section 115O of the IT Act.

Computation of capital gains:

Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a company or any other security listed in a recognized stock exchange in India or a unit of the UTI or a unit of a mutual fund specified under section 10(23D)) or zero coupon bond are considered to be long term capital assets if they are held for a period in excess of 36 months. Shares held in a company, any other listed securities, units of UTI and Mutual Fund units or zero coupon bond are considered as long term capital assets if these are held for a period exceeding 12 months.

Consequently, capital gains arising on sale of shares held in a company or any other listed security or units of UTI or Mutual Fund units or zero coupon bond, held for more than 12 months would be considered as "long term capital gains".

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

As per the provisions of Section 112(1)(b) of the IT Act, long term capital gains as computed above would be subject to tax at a rate of 20 percent (plus applicable surcharge). However, as per the proviso to Section 112(1) of the IT Act, if the tax payable in respect of long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax payable on gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent without indexation benefit (plus applicable surcharge).

Gains arising on transfer of short term capital assets are currently chargeable to tax at 30 percent (plus applicable surcharge). However, as per section 111A of the IT Act, short term capital gain arising from transfer of an equity share in a company or a unit of an equity oriented fund would be taxable at 10 percent (plus applicable surcharge), if:

a. the transaction of sale is entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force; and

b. such transaction is chargeable to securities transaction tax under that Chapter.

It is further provided, with effect from 1.4.2007 (Finance Act, 2006), that the income by way of Long Term Capital Gain of a company shall be taken into account in computing the book profit and the Income Tax payable under Section 115JB.

Exemption of long term capital gains from income tax:

As per the provisions of Section 10(38) of the IT Act, long term capital gain arising from transfer of an equity share in a company or unit of an equity oriented fund is exempt from income-tax if:

1. the transaction of sale is entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force; and
2. such transaction is chargeable to securities transaction tax under that Chapter.

Long term capital gain arising from transfer of an 'eligible equity share' in a company purchased during the period March 1, 2003 to February 29, 2004 (both days inclusive) and held for a period of 12 months or more are exempt from tax under section 10(36) of the IT Act. 'Eligible equity share' means:

1. any equity share in a company being a constituent of BSE-500 Index of the Stock Exchange, Mumbai as on March 1, 2003 and the transactions of purchase and sale of such equity share are entered into on a recognized stock exchange in India; or
2. any equity share in a company allotted through a public issue on or after March 1, 2003 and listed on a recognized stock exchange in India before March 1, 2004 and the transaction of sale of such equity share is entered into on a recognized stock exchange in India.

The CBDT has clarified vide Circular number 7/2003 dated September 5, 2003, that 'public issue' for the purpose of this Section shall include the offer of equity shares in a company to the public through a prospectus, whether by the company or by the existing shareholders of the company.

As per the provisions of Section 54EC of the IT Act and subject to the conditions specified therein, capital gains arising to the Company on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain long term specified assets within six months from the date of transfer. Further pursuant to a insertion of a new proviso in sub section(1) of Section 54EC, these investments made on or after 1st day of April, 2007 (Finance Act, 2007) during any financial year does not exceed Five Million Rupees. However, if the Company transfers or converts such investments into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

Benefits available to resident shareholders:

Income of a minor exempt up to certain limit:

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

Dividends exempt under Section 10(34):

Dividends (whether interim or final) declared, distributed or paid by a domestic company for any assessment year commencing on or after April 1, 2004 (pursuant to Finance Act, 2003) are exempt in the hands of the Company, in its capacity as shareholder, as per the provisions of Section 10(34) of the IT Act, if the same is subject to dividend distribution tax under section 115O of the IT Act.

Computation of capital gains:

Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a company or any other security listed in a recognized stock exchange in India or a unit of the UTI or a unit of a mutual fund specified under section 10(23D)) or zero coupon bond are considered to be long term capital assets if they are held for a period in excess of 36 months. Shares held in a Company, any other listed securities, units of UTI and Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months.

Consequently, capital gains arising on sale of shares held in a company or any other listed security or units of UTI or Mutual Fund units or zero coupon bond, held for more than 12 months would be considered as "long term capital gains".

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

As per the provisions of Section 112(1) of the IT Act, long term capital gains as computed above would be subject to tax at a rate of 20 percent (plus applicable surcharge). However, as per the proviso to Section 112(1) of the IT Act, if the tax payable in respect of 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 payable on gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent without indexation benefit (plus applicable surcharge).

Gains arising on transfer of short term capital assets are normally chargeable to tax at the rates as applicable to the status of the shareholder. However, as per section 111A of the IT Act, short term capital gain arising from transfer of an equity share in a company or a unit of an equity oriented fund would be taxable at 10 percent (plus applicable surcharge), if:

1. the transaction of sale is entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force; and
2. such transaction is chargeable to securities transaction tax under that Chapter

Provided that in the case of an individual or a Hindu undivided family, being a resident, where the total income as reduced by such short-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such short-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such short-term capital gains shall be computed at the rate of ten per cent.

Exemption of long term capital gains from income tax:

As per the provisions of Section 10(38) of the IT Act, long term capital gain arising from transfer of an equity share in a company or unit of an equity oriented fund is exempt from income-tax if:

3. the transaction of sale is entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force; and
4. such transaction is chargeable to securities transaction tax under that Chapter.

As per the provisions of Section 54EC of the IT Act and subject to the conditions specified therein, capital gains arising to the Company on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain long term specified assets within six months from the date of transfer. Further pursuant to a insertion of a new proviso in sub section(1) of Section 54EC, these investments made on or after 1st day of April, 2007 (Finance Act, 2007) during any financial year does not exceed Five Million Rupees. However, if the Company transfers or converts such investments into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to income-tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house either purchased or constructed. If part of such net consideration is invested within the prescribed period in a residential house, then so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of the new asset bears to the net consideration shall not be chargeable to income-tax. 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.

Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

Section 88E

Where the total income of an assessee in a previous year includes any income, chargeable under the head "Profits and gains of business or profession", arising from taxable securities transactions, he shall be entitled to a deduction, from the amount of income-tax on such income arising from such transactions, computed in the manner provided in sub-section (2), of an amount equal to the securities transaction tax paid by him in respect of the taxable securities transactions entered into in the course of his business during that previous year.

Provided that no deduction under this sub-section shall be allowed unless the assessee furnishes along with the return of income, evidence of payment of securities transaction tax in the prescribed form.

Provided further that the amount of deduction under this sub-section shall not exceed the amount of income-tax on such income computed in the manner provided in sub-section (2).

For the purposes of sub-section (1), the amount of income-tax on the income arising from the taxable securities transactions, referred to in that sub-section, shall be equal to the amount calculated by applying the average rate of income tax on such income.

Benefits available to Non-Resident Indian shareholders:

Income of a minor exempt up to certain limit:

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

Dividends exempt under Section 10(34):

Dividends (whether interim or final) declared, distributed or paid by a domestic company for any assessment year commencing on or after April 1, 2004 (pursuant to Finance Act, 2003) are exempt in the hands of the Company, in its capacity as shareholder, as per the provisions of Section 10(34) of the Act, if the same is subject to dividend distribution tax under section 115O of the IT Act.

Computation of capital gains:

Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a company or any other security listed in a recognized stock exchange in India or a unit of the UTI or a unit of a mutual fund specified under section 10(23D)) or zero coupon bond are considered to be long term capital assets if they are held for a period in excess of 36 months. Shares held in a company, any other listed securities, units of UTI and Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months. Consequently, capital gains arising on sale of shares held in a company or any other listed security or units of UTI or Mutual Fund units or zero coupon bond, held for more than 12 months would be considered as "long term capital gains".

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

Gains arising on transfer of short term capital assets are normally chargeable at the tax rates as applicable to the status of the shareholder. However, as per section 111A, short term capital gain arising from transfer of an equity share in a company or a unit of an equity oriented fund would be taxable at 10 percent (plus applicable surcharge), if:

the transaction of sale is entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force; and

such transaction is chargeable to securities transaction tax under that Chapter

Capital gains tax - Options available under the IT Act:

Where shares have been subscribed in convertible foreign exchange - Option available under Chapter XII-A of the IT Act

Non-Resident Indians as defined in Section 115C(e) of the IT Act, being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII-A of the IT 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:

As per the provisions of Section 115D read with Section 115E of the IT 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), without indexation benefit.

As per the provisions of Section 115F of the IT Act and subject to the conditions specified therein, gains arising from the 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 a period of six months from the date of transfer in any specified asset. If only part of such net consideration is so invested, 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.

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

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

Under Section 115H of the IT Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the IT Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

As per the provisions of Section 115I of the IT 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 IT Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.

Section 88E

Where the total income of an assessee in a previous year includes any income, chargeable under the head "Profits and gains of business or profession", arising from taxable securities transactions, he shall be entitled to a deduction, from the amount of income-tax on such income arising from such transactions, computed in the manner provided in sub-section (2), of an amount equal to the securities transaction tax paid by him in respect of the taxable securities transactions entered into in the course of his business during that previous year.

Provided that no deduction under this sub-section shall be allowed unless the assessee furnishes along with the return of income, evidence of payment of securities transaction tax in the prescribed form.

Provided further that the amount of deduction under this sub-section shall not exceed the amount of income-tax on such income computed in the manner provided in sub-section (2).

For the purposes of sub-section (1), the amount of income-tax on the income arising from the taxable securities transactions, referred to in that sub-section, shall be equal to the amount calculated by applying the average rate of income tax on such income.

Where the shares have been subscribed in Indian Rupees:

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

As per the provisions of Section 112(1)(c) of the IT Act, long term capital gains as computed above would be subject to tax at a rate of 20 percent (plus applicable surcharge). However, as per the proviso to Section 112(1) of the IT Act, if the tax payable in respect of 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 payable on gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent without indexation benefit (plus applicable surcharge).As per the provisions of Section 112(1)(b) of the IT Act, long term capital gains as computed above would be subject to tax at a rate of 20 percent (plus applicable surcharge). However, as per the proviso to Section 112(1) of the IT Act, if the tax payable in respect of 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 payable on gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent without indexation benefit (plus applicable surcharge).

Exemption of long term capital gains from income tax:

As per the provisions of Section 10(38) of the IT Act, long term capital gain arising from transfer of an equity share in a company or unit of an equity oriented fund is exempt from income-tax if:

5. the transaction of sale is entered into on or after the date on which Chapter VII of the Finance (No.2) IT Act, 2004 comes into force; and
6. Such transaction is chargeable to securities transaction tax under that Chapter.

As per the provisions of Section 54EC of the IT Act and subject to the conditions specified therein, capital gains arising to the Company on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain long term specified assets within six months from the date of transfer. Further pursuant to a insertion of a new proviso in sub section(1) of Section 54EC, these investments made on or after 1st day of April, 2007 (Finance IT Act, 2007) during any financial year does not exceed Five Million Rupees. However, if the Company transfers or converts such investments into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house either purchased or constructed. If part of such net consideration is invested within the prescribed period in a residential house, then so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of the new asset bears to the net consideration shall not be chargeable to income-tax. 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.

Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

Provisions of the* IT Act *vis-à-vis provisions of the tax treaty:

As per Section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident.

Benefits available to other Non-Residents (Other than FIIs and Venture Capital Companies / Funds):

Income of a minor exempt up to certain limit:

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

Dividends exempt under section 10(34) of the IT Act*:*

Dividends (whether interim or final) declared, distributed or paid by a domestic company for any assessment year commencing on or after April 1, 2004 (pursuant to Finance IT Act, 2003) are exempt in the hands of the Company, in its capacity as shareholder, as per the provisions of Section 10(34) of the IT Act, if the same is subject to dividend distribution tax under section 115O of the IT Act.

Computation of capital gains:

Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a company or any other security listed in a recognized stock exchange in India or a unit of the UTI or a unit of a mutual fund specified under section 10(23D)) or zero coupon bond are considered to be long term capital assets if they are held for a period in excess of 36 months. Shares held in a Company, any other listed securities, units of UTI and Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months. Consequently, capital gains arising on sale of shares held in a company or any other listed security or units of UTI or Mutual Fund units or zero coupon bond, held for more than 12 months would be considered as “long term capital gains”.

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

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

As per the provisions of Section 112(1)(c) of the IT Act, long term capital gains as computed above would be subject to tax at a rate of 20 percent (plus applicable surcharge). However, as per the proviso to Section 112(1) of the IT Act, if the tax payable in respect of 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 payable on gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent without indexation benefit (plus applicable surcharge).

Gains arising on transfer of short term capital assets are normally chargeable at the tax rates as applicable to the status of the shareholder. However, as per section 111A, short term capital gain arising from transfer of an equity share in a company or a unit of an equity oriented fund would be taxable at 10 percent (plus applicable surcharge), if:

1. the transaction of sale is entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force; and
2. such transaction is chargeable to securities transaction tax under that Chapter.

***Exemption of capital gains from income tax*:**

As per the provisions of Section 10(38) of the IT Act, long term capital gain arising from transfer of an equity share in a company or unit of an equity oriented fund is exempt from income-tax if:

1. the transaction of sale is entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force; and

2. such transaction is chargeable to securities transaction tax under that Chapter.

As per the provisions of Section 54EC of the IT Act and subject to the conditions specified therein, capital gains arising to the Company on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain long term specified assets within six months from the date of transfer. Further pursuant to a insertion of a new proviso in sub section(1) of Section 54EC, these investments made on or after 1st day of April, 2007 (Finance Act, 2007) during any financial year does not exceed Five Million Rupees. However, if the Company transfers or converts such investments into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

As per the provisions of section 54F of the IT Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house either purchased or constructed. If part of such net consideration is invested within the prescribed period in a residential house, then so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of the new asset bears to the net consideration shall not be chargeable to income-tax. 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.

Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

Section 88E

Where the total income of an assessee in a previous year includes any income, chargeable under the head “Profits and gains of business or profession”, arising from taxable securities transactions, he shall be entitled to a deduction, from the amount of income-tax on such income arising from such transactions, computed in the manner provided in sub-section (2), of an amount equal to the securities transaction tax paid by him in respect of the taxable securities transactions entered into in the course of his business during that previous year.

Provided that no deduction under this sub-section shall be allowed unless the assessee furnishes along with the return of income, evidence of payment of securities transaction tax in the prescribed form.

Provided further that the amount of deduction under this sub-section shall not exceed the amount of income-tax on such income computed in the manner provided in sub-section (2).

For the purposes of sub-section (1), the amount of income-tax on the income arising from the taxable securities transactions, referred to in that sub-section, shall be equal to the amount calculated by applying the average rate of income tax on such income.

Provisions of the IT Act vis-à-vis provisions of the treaty:

As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident.

Benefits available to Foreign Institutional Investors (“FIIs”):

Taxability of capital gains:

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

Nature of income	Rate of tax
Long term capital gains	10 percent
Short term capital gains	30 percent / 10 percent

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

As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident.

***Exemption of capital gain from income tax*:**

As per the provisions of Section 10(38) of the IT Act, long term capital gain arising from transfer of an equity share in a company or unit of an equity oriented fund is exempt from income-tax if:

1. the transaction of sale is entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force; and
2. such transaction is chargeable to securities transaction tax under that Chapter.

As per the provisions of Section 54EC of the IT Act and subject to the conditions specified therein, capital gains arising to the Company on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain long term specified assets within six months from the date of transfer. Further pursuant to a insertion of a new proviso in sub section(1) of Section 54EC, these investments made on or after 1st day of April, 2007 (Finance Act, 2007) during any financial year does not exceed Five Million Rupees. However, if the Company transfers or converts such investments into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

Benefits available to Mutual Funds:

As per the provisions of section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as may be prescribed in this behalf.

Benefits available to Venture Capital Companies / Funds:

As per the provisions of section 10(23FB) of the IT Act, any income of Venture Capital Companies / Funds (set up to raise funds for investment in a venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified therein.

Benefits available under the Wealth Tax Act, 1957:

"Asset" as defined under section 2 (ea) of the Wealth Tax Act, 1957, does not include equity shares in companies. Hence the shares are not liable to Wealth Tax.

Benefits available under the Gift Tax Act, 1958:

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax.

Notes:

1. *The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;*
2. *The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;*

3. *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;*
4. *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and*
5. *The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.*

SECTION IV: ABOUT THE COMPANY

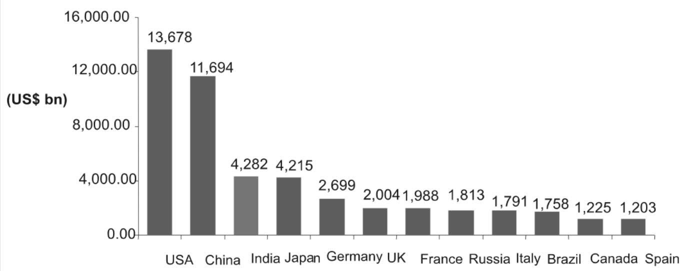
OUR INDUSTRY

The Indian Economy

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

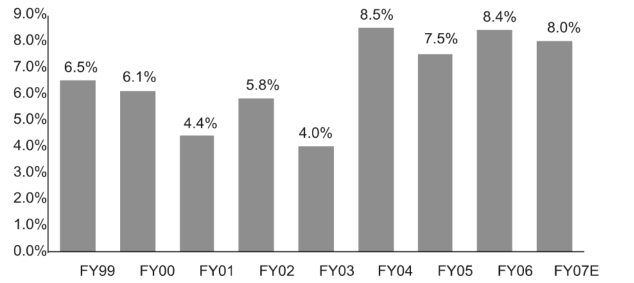
The economy has experienced rapid growth in recent years with the GDP growth being 8.5%, 7.5%, 8.4% and 9.2% in Fiscal 2004, 2005, 2006 and for the second quarter of Fiscal 2007, respectively (Source: Reserve Bank of India). The economy is expected to continue growing at a rapid pace with the RBI projecting a GDP growth rate of 8.5% to 9.0% for Fiscal 2007.

Third Largest Economy in the World (PPP* Adjusted GDP)



Source: International Monetary Fund, 2007
** Purchasing Power Parity*

Consistent GDP Growth



Source: Reserve Bank of India

Increasing Participation from Foreign Investors

Foreign Direct Investment ("FDI") has been recognized as one of the important drivers of economic growth in the country. The Government of India has taken a number of steps to encourage and facilitate FDI investment and FDI is allowed in many key sectors of the economy, such as manufacturing, services and infrastructure. For many such sectors, 100% FDI is allowed on an automatic basis, i.e., without the prior approval of the Government.

India's Construction Industry: An Overview

Construction activity is an integral part of a country's infrastructure and industrial development and hence can rightly be termed as the basic input for socio-economic development. Its presence and contribution is immense in terms of providing huge opportunities for direct and indirect employment. In India, construction is the second largest economic activity after agriculture. According to the Construction Federation of India ("CFI"), the construction industry in India currently has a gross value of output in excess of Rs 3,000 billion and accounts for more than 6% of India's gross domestic product.

Construction investment accounts for nearly 14.7 per cent of the GDP and around 52.4 per cent of the Gross Fixed Capital Formation.

Over the next five years (2006-07–2010-11) investments in construction, according to CRISIL's assessments, are expected to be nearly double those that were made in the previous five years (2001-2–2005-06).

Assessment of key infrastructure, key industrial and real estate investments reveals that the industry is expected to witness total investments of Rs 26,473 billion over the next five years as compared with total investments of Rs 14,043 billion made in the previous five years. Growth in the construction industry (at implicit annual growth rate of 13.5 per cent over the next five years) is expected to be led by growth in infrastructure and industrial investments, which are expected to grow at a faster rate than real estate investments.

Total construction investments

(Rs billion)	2001-02 to 2005-06	2006-07 to 2010-11	TAGR
Real estate	**10,218**	**18,517**	**12.6**
Housing	9,810	17,338	12.1
Commercial real estate	408	1,179	23.6
Infrastructure	**3,213**	**6,129**	**13.8**
Industrial	**612**	**1,826**	**24.4**
Total	**14,043**	**26,473**	**13.5**

Source: CRISIL Research

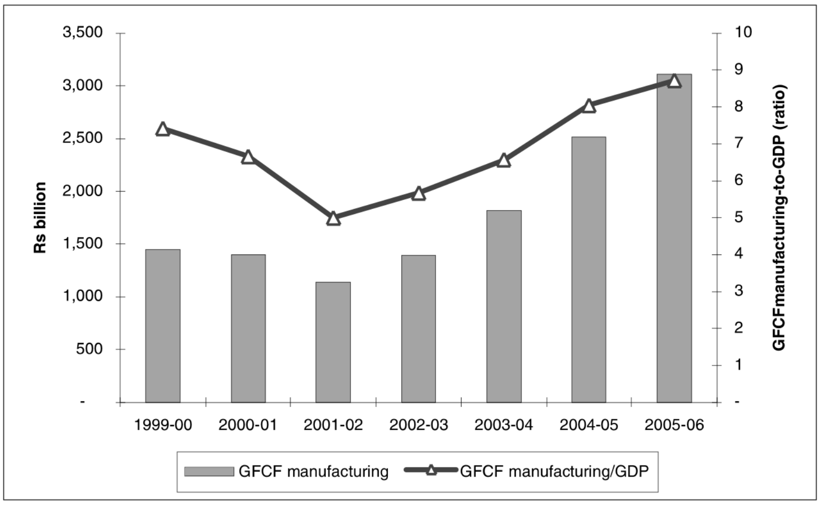
*Annual trend growth rate (TAGR) (%): ((Investments in future five year block period/ Investments in past five year block period) ^ (1/5)*100-100)*

Industrial Construction – An Overview

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

The following graph, uses GFCF manufacturing as a proxy to industrial investments to reflect the prevalent surge in industrial investments.

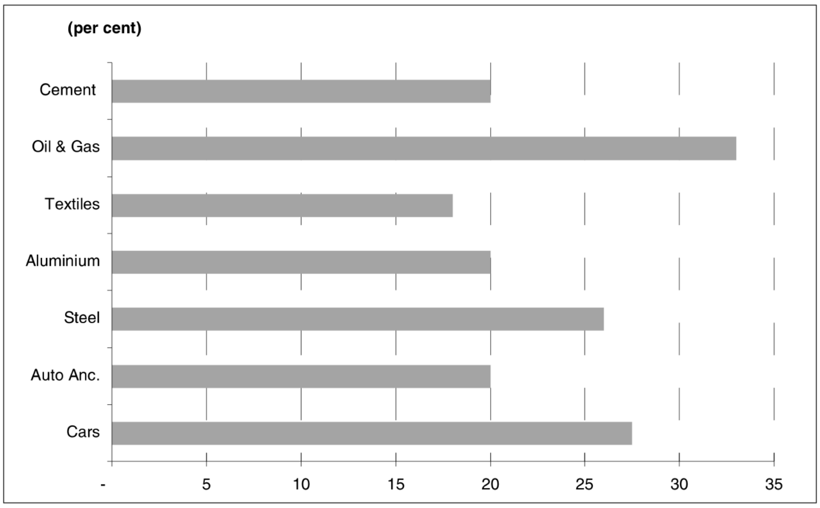
Industrial investments on a rise



Source: CSO and CRISINFAC

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

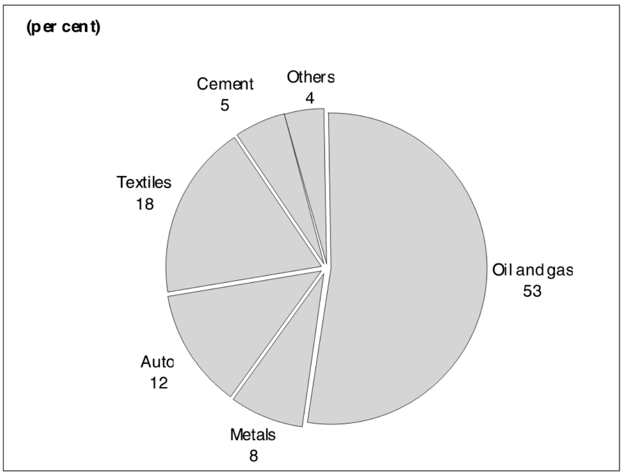
Engineering and construction component in the key industrial sectors



Source: CRISINFAC

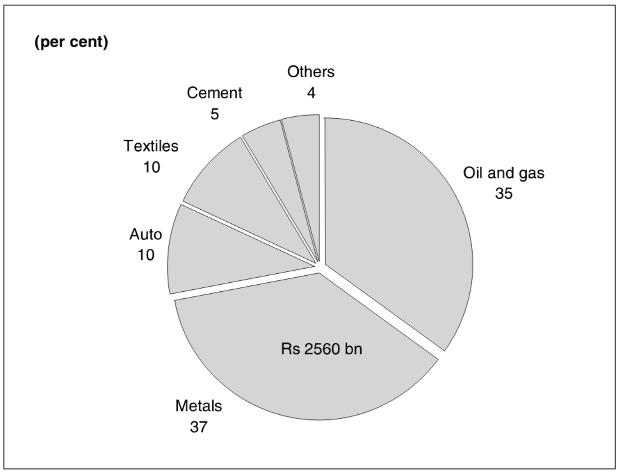
Industrial investments are likely to be driven mainly by metals and oil and gas investments. Together, these sectors are expected to contribute around 72 per cent of total investments anticipated in key industrial sectors. The graphs shown below reflect the change in composition of industrial investments over the next 5 years.

2001-02 to 2005-06 (Rs 2,274 billion)



Source: CRISINFAC

2006-07 to 2010-11 (Rs 6,954 billion)



Source: CRISINFAC

The upsurge in global steel demand has led to a spurt in investment announcements in the domestic steel industry. According to CRIS INFAC, approximately Rs 2,560 billion will be invested over the next 5 years (15 times the domestic investments made in steel industry in the last 5 years).

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

Real Estate Construction – An Overview

The term 'real estate' indicates land, including the air above it and the ground below it, and any building or structure that may be constructed upon it. The real estate/construction sector plays an important role in the overall development of a country, as it is this sector that defines the country's infrastructure.

Activities in the real estate sector may broadly be classified into (i) Residential, (ii) Commercial (iii) and the Retail segment.

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

As can be seen from the following table, over the next 5 years (2006-07 to 2010-11), real estate investments are expected to grow to Rs 18,339 billion from Rs 10,885 billion invested over the last 5 years (2001-02 to 2005-06).

(Rupees in billion)

Total construction investments (Rs bn)	FY 02 - 06	FY 07- 11	Implicit annual trend growth rate (%)
Real estate	**10,218**	**18,517**	**12.6**
Housing	9,810	17,338	12.1
Commercial real estate	408	1,179	23.6

*Annual trend growth rate (TAGR) (%): ((Investments in future five year block period/ Investments in past five year block period)^(1/5)*100-100)*

Source: CRISINFAC

The Commercial Segment

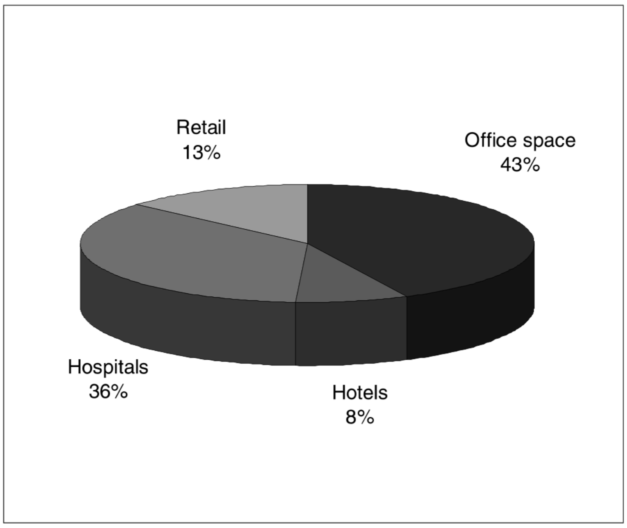
Commercial construction comprises office space constructions, hotels, hospitals, schools and stadiums.

The commercial real estate market in India has continuously been evolving in response to a number of changes in the business environment. The IT/ ITES/ BPO sectors have been the drivers of the commercial real estate demand in the country. Large space requirements by the IT/ ITES sector has led to real estate growth being spread beyond the chief business locations to the suburban and peripheral locations of major cities. As a result, locations such as Whitefield in Bangalore, Gurgaon and Noida in Delhi, Madhapur and Gachibowli in Hyderabad, Old Mahabalipuram in Chennai and scattered pockets of Mumbai such as Malad, Andheri-Kurla, Powai and Navi Mumbai have become popular in the last four to five years.

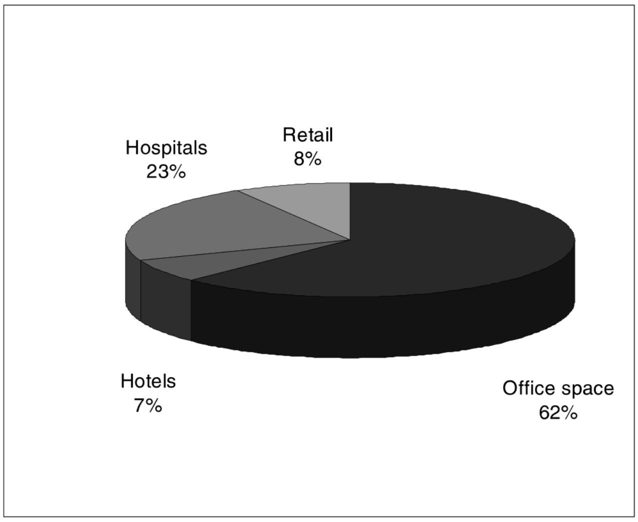
Investment in commercial construction is expected to increase threefold over the next 5 years from Rs 408 billion to Rs 1,179 billion. Investments in the commercial segment are likely to be driven by office space projects, which are expected to go up from Rs 737 billion over the next 5 years as against Rs 174 billion worth of investments made over the previous 5 years. Within office space construction, 70–75 per cent of the demand comes from IT/BPO/call centres. Other key demand drivers include banking and financial services, fast-moving consumer goods (FMCG) and telecom. This dependency on IT/ITES is expected to continue due to India's emergence as a preferred outsourcing destination, despite the emergence of China and Russia as strong contenders. Hospitals are expected to generate total construction demand worth Rs 267 billion over the next 5 years.

Commercial construction investments

FY02-FY06 (Rs 408 bn)



FY07-FY11 (Rs 1,179 bn)



Commercial Property Life Cycle

Based on the investment opportunities offered by a location, its life-cycle can be charted through four broad stages– (i) growth, (ii) equilibrium, (iii) decline and (iv) recovery.

The growth stage is characterised by an increasing demand for properties in the city. More and more corporates choose to relocate their operations into the city to take advantage of the opportunities offered by it, thereby raising the occupancy rates of available properties. Consequently, the property prices as well as the rentals show an increasing trend. The growth stage is followed by the equilibrium stage. In this stage, as the demand and supply for commercial space are more or less equal, the property prices and rentals show a rising trend initially, achieve their peak levels and then flatten out.

Over a period of time, the equilibrium stage gives way to the decline stage. The decline stage is marked with decreasing occupancy levels in the city as corporates relocate their offices from the chief business locations to the suburban or peripheral locations. In light of the waning demand, the occupancy levels register a decreasing trend of growth. Also, in this stage the property prices and rentals would register a decline in growth. The decline stage is followed by the recovery stage. In the recovery stage, as the availability of properties continue to exceed their demand, this stage is characterised by low occupancy rates of city properties. The property prices are at a discount as compared to the previous stages.

Competitive positioning of growth centres in India

Based on the current and expected growth potential, various locations in the country can be classified as (i) mature destinations (ii) destinations in transition (iii) emerging destinations and (iv) tier III cities. The cities that fall under each of these classifications are discussed as under:

Mature Destinations: Locations like Mumbai and Delhi with their metropolitan character have been traditional business destinations and have a favourable track record in attracting investments. However, factors such as increasing operating costs, real estate supply constraints and socio-political risks are the potential impediments in sustaining a high rate of growth. Commercial real estate growth in these locations is expected to be range-bound and focused mostly around the suburbs and peripheral locations in the coming years.

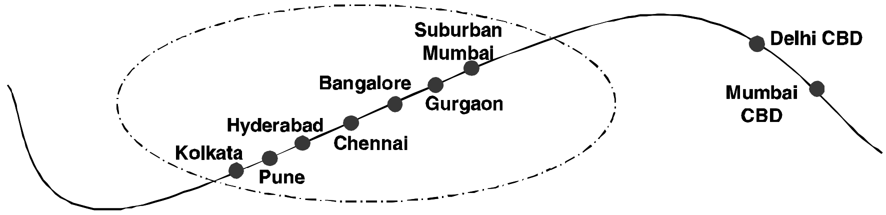
Destinations in Transition: Locations falling under this category are those that offer a large captive human resource potential, availability of quality real estate and operating cost advantages. These are the locations that are best positioned to attract investment in the coming years. Accordingly, the locations of Bangalore and Gurgaon, fall under this category. However, infrastructure bottlenecks form the main hurdles in their growth path.

Emerging Destinations: Pune, Chennai, Hyderabad and Kolkata constitute the 'emerging destinations' group. Cost advantages, well-developed infrastructure, limited real estate supply constraints and city governance are their key offerings. Though the number of large occupiers in these locations is yet to reach optimum, these locations feature predominantly on the investment map. Growth of these locations is predominantly led by expansion and consolidation plans of corporates in the IT and ITES sectors.

Tier III Cities: The locations that would fall under this category include Jaipur, Coimbatore, Ahmedabad, and Lucknow. With the availability of the requisite talent pool coupled with low cost real estate, there is a growing interest in these Tier III cities from the technology sector players, who seek to expand their operations into these previously untapped locations. Over the next 3-5 years, these markets are likely to see significant real estate growth.

Based on their standing, the above cities may be projected on the property life cycle as follows:

RECOVERY	GROWTH	EQUILIBRIUM	DECLINE
▪ Low Occupancy ▪ Discount pricing ▪ Supply exceeds demand ▪ Flat rental rates	▪ Rising occupancy ▪ Pricing on the rise ▪ Stable to increasing rentals ▪ Demand expanding to exceed supply	▪ High occupancy ▪ High pricing ▪ Rentals peaking ▪ Equilibrium conditions	▪ Decreasing occupancy ▪ Decreased pricing ▪ Softer rentals ▪ Over supply



The Residential Segment:

With a growing population and increasing urbanisation, the joint family system giving way to formation of nuclear families, rise in disposable income coupled with the propensity to spend fuelled by a rise in employment opportunities, the demand for housing in India as it stands today far exceeds the supply. According to CRIS INFAC, over the next 5 years, housing investments are expected to grow to Rs 17,338 billion as compared to Rs 9,810 billion invested in the previous 5 years. Housing investments are expected to driven by urban housing investments, which are expected to grow at a TAGR of 13.7 per cent vis-à-vis rural investments, which are expected to grow at a TAGR of 6.8 per cent

Table 1: Housing Demand Forecast

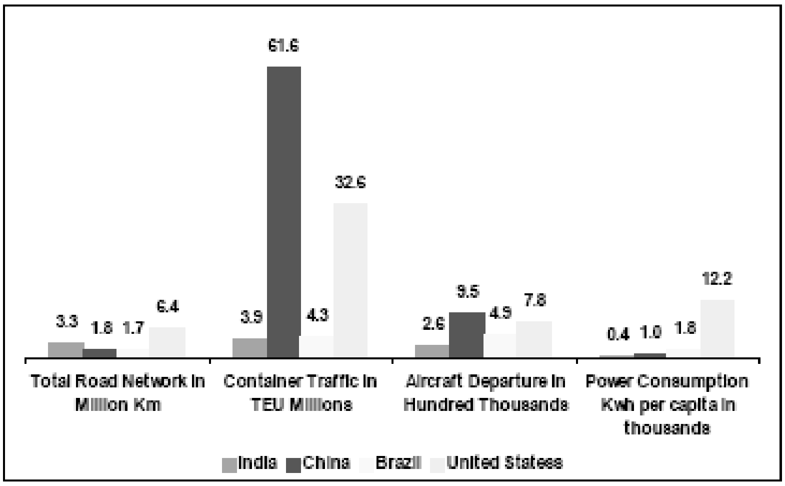
	2007	2011	Growth
Estimated Housing Stock (million units)	129.40	152.75	3.37%
Estimated Housing Stock (billion sq ft)	86.08	109.46	4.75%

Source: CRISINFAC

Infrastructure Construction – An Overview

The infrastructure sector covers the services of transportation (railways, roads and road transportation, ports, and civil aviation), communications (telecommunications and postal services), electricity and other civic infrastructure services such as water supply and sanitation, solid waste management, and urban transport. Despite recent progress, India has lagged behind many other developing and developed nations in terms of infrastructure development. The following chart illustrates the gap between

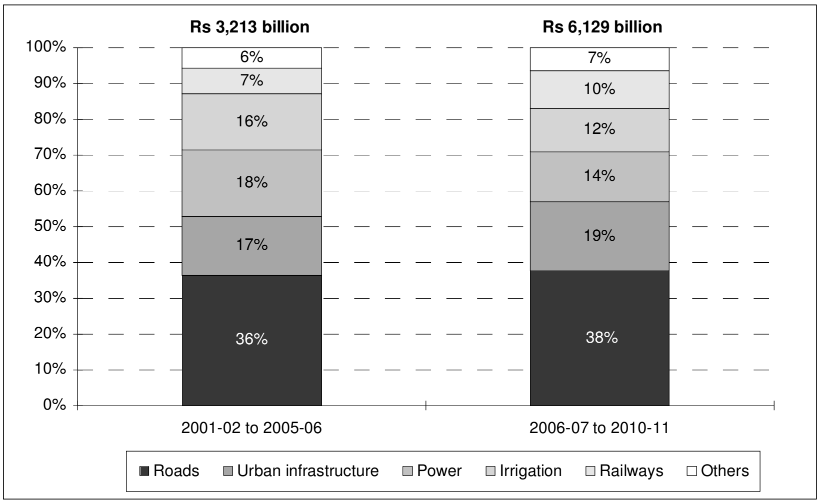
India and other selected countries in terms of certain indicators of infrastructure development for the year 2003:



(Source: World Development Indicators Online 2005, World Bank)

CRIS INFAC's assessment of infrastructure projects (underway and proposed) indicates prospective investments of Rs 11,886 billion, growing at an implicit annual trend growth rate (TAGR) of 14 per cent over the next 5 years (2006-07 to 2010-11) as compared to Rs 6,465 billion invested in the last 5 years (2001-02 to 2005-06). Further analysis — based on construction intensity in each sector — shows that these projects (worth Rs 11,886 bn) have the potential to translate into investments worth Rs 6,129 billion for the construction industry.

Infrastructure investments mix



Source: CRISINFAC

According to CRISINFAC, over the next 5 years, roads are slated to be the key driver of construction investments among infrastructure sectors. Road development programmes such as the National Highway Development Programme (NHDP) and Pradhan Mantri Gram Sadak Yojana (PMGSY) together with state-level projects will provide a fillip to the construction industry.

Urban infrastructure is expected to be the second-largest contributor to infrastructure investments over the next 5 years. Urban infrastructure investments — including water supply and sanitation projects (WSS) — will get a boost from the Jawaharlal Nehru Urban Renewal Programme (JNNURM).

The Electricity Act, focus on hydel projects, and policy initiatives such as securitisation of SEB dues, and equity and debt support in the Union Budget will act as catalysts for construction investments from the power industry.

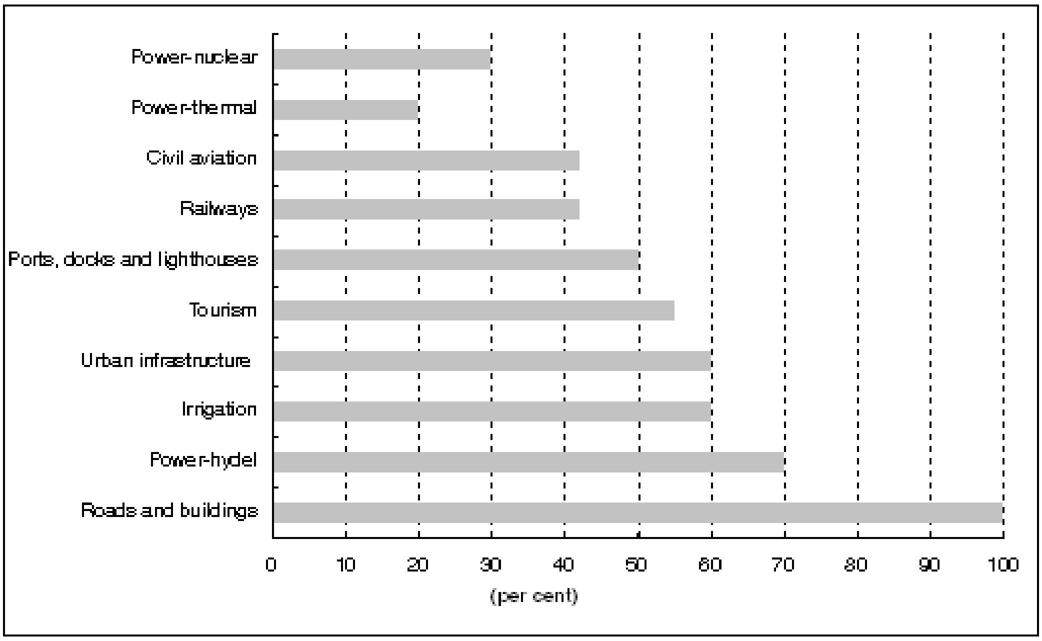
Investments in port projects will be led by the National Maritime Development Programme (NMDP) aimed at augmenting capacities at major ports. Investments in airports will be boosted by the upgradation and development of airports in metro and 35 non-metro cities.

The emphasis of the central government to improve irrigation facilities in the country through programmes such as Bharat Nirman, Accelerated Irrigation Benefit Programme (AIBP), and state-level initiatives will be the main driver of investments in the irrigation sector.

Construction companies in India are typically civil engineering companies, which undertake construction work on a contract basis, in sectors like roads, ports, marine structures, power projects etc. All construction projects have eligibility criteria. Companies who have the requisite financial strength and experience typically meet these eligibility criteria and undertake projects independently. Smaller companies generally have to enter into joint ventures to meet the eligibility criteria and to spread the financial and business risk. Foreign engineering and construction companies typically participate in the infrastructure development in India through joint development ventures with Indian construction companies.

The following chart depicts the percentage of construction component within each infrastructure segment:

Construction: Sector-wise construction component



Source: NICMAR and CRISINFAC

AIRPORTS

Source: "Financing Plan for Airports" Report by Planning Commission, Government of India

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

Table 1.1

AIRCRAFT MOVEMENT

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

Table 1.2

PASSENGER TRAFFIC

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

Table 1.3

CARGO (in '000 tonnes)

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

As can be noted from above, the civil aviation traffic in the country has been increasing at an unprecedented growth rate. Aircraft traffic movement over the past 5 years has grown steadily from 9.9 per cent in 2002-03 to 16.7 per cent in 2005-06. Passenger traffic has growth from 9.4 per cent to 23.7 per cent in the same period.

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

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

An investment of about Rs. 40,000 crore is projected for the development of airports during the period 2006-07 to 2013-14, of which approximately Rs. 31,000 crore is envisaged from PPPs. Implementation of development plans on these lines has already commenced.

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

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

CONSTRUCTION BUSINESS MODELS

Types of contract

There are different models currently being adopted for PPPs in India which vary in the distribution of risks and responsibility between the public and the private sectors for financing, constructing, operating, and maintaining assets. Two important types of contracts - BOT and BOOT - are explained below, as well as certain other contracts generally used in the Indian construction industry are explained below.

Build-Operate-Transfer ("BOT")

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

Build-Own-Operate-Transfer ("BOOT")

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

Design-Build-Finance-Operate ("DBFO")

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

Item Rate Contracts

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

Engineering Procurement Construction/Lump-Sum Turnkey Contracts

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

Operations and Maintenance ("O&M") Contracts

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

Front End Engineering and Design ("FEED") Contracts

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

Price Preference

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

Purchase Preference

In government tenders for projects normally less than Rs. 100 crores, there is a purchase preference clause wherein a tender submitted by a Public Sector Undertaking (PSU) will entail 10% price preference over other bidders. In this case, if the bid by the PSU is 10% higher than the lowest bidder, the employer reserves the right to award the project to the PSU if they can match the price of the lowest bidder.

Approaches

In the case of large projects, players have adopted two critical approaches, in order to obtain and execute the contract. While contractors have entered into joint ventures (JVs) in order to secure the projects, project execution is undertaken largely through subcontracting.

Joint ventures (JVs)

JVs are usually project-specific and are contractual obligations among either domestic or foreign contractors. Besides pre-qualifying for projects, JVs are formed to reduce the risk exposure in large projects and combine specialist skills. JVs are usually project-specific, with revenues/profits shared on a pre-determined basis.

For instance, in the case of road projects, all the stretches under Phase III have been planned on BOT basis, and therefore, will need higher level of investments. This has compelled a lot of small contractors to join hands with bigger players, and together on a joint venture basis, bid for the projects. The bigger player benefits from the joint venture as, to some extent, his equity and project completion risk are shared by the other smaller members of the joint venture (consortium). The bigger player is likely to get higher margins as compared to smaller contractors as he assumes greater equity risk in the project. The bigger sized projects will also bring in economies of scale and thereby can reduce the construction cost to some extent.

Sub-contracting

Subcontract arrangements are widespread in the construction industry, because of the diversified nature of the jobs in a project. Moreover, the use of sub-contract arrangements enable larger construction companies to maintain flexibility in operations and lower their overheads, while enabling the relatively smaller contractors to gain expertise and increase their turnover.

In sub-contracting, smaller companies undertake tasks that are not undertaken by the principal contractor, or specialised tasks, through a sub-contract arrangement. Currently, only up to 30 per cent of the project can be sub- contracted. Sub-contracting practices are adopted by both large and small contractors. Large contractors, sub-contract work in India to smaller contractors, while in the international construction market, they undertake sub-contracting activity for larger foreign players.

While sub-contracting decreases the capital investment of prime contractors, it enhances the likelihood of timely completion and lowers overhead expenses. It also results in lower profit margins for contractors.

Special Economic Zones

Source: www.sezindia.nic.in

The Government of India has recently taken a number of measures to encourage foreign investment into India, generally, with a particular focus on the export of goods and services out of India. These measures include the introduction in 2005 of a SEZ regime under which specified land is deemed to be "foreign territory" for the purposes of Indian customs controls, duties and tariffs. SEZs provide an internationally competitive and relatively unregulated environment for export-oriented activities.

In India, a complex administrative and tax law environment and unfavourable labour laws are some of the other factors affecting the global competitiveness of Indian companies. This is evidenced by India's ranking of 29 on the list of "world merchandise trade" in 2005 published by World Trade Organisation. India's share of world goods exports in 2005 was approximately 0.9%, which is lower than the exports of many other countries with much smaller economies, including Thailand. The Government of India has fixed an ambitious target of US$ 150 billion for exports by Fiscal 2009 to double India's share in world exports to 1.5%.

The SEZ scheme has been designed to assist Indian companies overcome the various disadvantages and costs that may otherwise prevent investment and development. The rationale for SEZ in India includes:

Infrastructure – According to industry estimates, it is estimated that the cost of infrastructure would be lower by approximately 20%, as materials and services purchased by the SEZ developer are exempted from customs, excise duty, service tax and central sales tax. Investments in SEZs are treated as infrastructure development and are thus eligible for exemption.

Financing – The SEZ regime also provides for financing at international rates. It allows a company to establish offshore banking units ("OBUs") and international financing centres ("IFCs") in the SEZs. OBUs are entitled to an income-tax exemption for 10 years and they are exempt from the requirement of statutory liquidity ratio, which results in the availability of more sources of funds. Such OBUs and IFCs will be exempted from tax deducted at the source on its borrowings and deposits from non-resident Indians. These measures are intended to reduce the OBU's cost of credit for SEZ-approved institutions. The services provided by an SEZ-approved institution are free from service tax and income tax, dividend payments are also free in the hands of payer and payee and a stamp duty exemption has been provided for SEZ estate transactions.

Exports – India’s share in global trade is only 0.9% despite it being one of the fastest growing economies in the world. SEZ will help boost the exports of the country, particularly nontraditional once, by making the same feasible and attractive. This will also in turn affect the foreign exchange earning capacity and contribute to the exchange rate stability.

Development – Locations for SEZ plays a very important role in the development of backward regions. New industries are setup which creates jobs and raises the standard of living for the region. Various parties are involved the establishment, development and operation of a SEZ, including the following:

Government and related governmental authorities that grant development rights for an SEZ establish policies and guidelines assist with implementation and are empowered to provide financial support to an SEZ-approved institution. They are the most important party as they forgo the direct revenues and provide incentives for setting up of SEZ;

Developers, including co-developers, which are enterprises engaged in the establishment and development of the zone, including to provide infrastructure such as roads, water and drainage systems;

Operators, which are the enterprises engaged in the operation and/or maintenance of infrastructure facilities in the SEZ;

Tenants/units, which are the occupant enterprises within the SEZ and include enterprises engaged in a wide range of industries, including manufacturing, services and trading; and

Residents, who are people employed by enterprises located in the SEZ and who reside within the SEZ boundary.

Consequent upon the SEZ Rules coming into effect w.e.f. February 10, 2006, eight meetings of the Board of Approvals have since been held. During these meetings, formal approval has been granted to 237 SEZ proposals and in-principle approval has been granted to 164 SEZ proposals. At present there are 234 valid formal approvals (350 sq kms) and 162 in principle approvals (1400 sq kms). The total area for the proposed SEZs is 1750 sq. kms. Out of the formal approvals, 100 SEZs have been notified. In the 100 notified SEZs which have come up after 10th February 06, investment of Rs. 150,000 million has already been made in less than one year. The additional investment in these SEZs by 2009 is expected to be Rs. 563,610 million. If the 234 approved SEZs become operational, investments in these SEZs is expected to reach Rs. 3,000,000 million by 2009.

OUR BUSINESS

Overview

We are a provider of integrated turn-key construction services and have executed or are executing projects across 17 states and union territories in India. We provide integrated turn-key construction services in the industrial, commercial, infrastructure and residential sectors of the construction industry. Our integrated turn-key construction services include a range of (i) construction services such as construction design, engineering, procurement, construction and project management and (ii) construction allied services such as mechanical and electrical ("M&E"), plumbing, fire-fighting, heating, ventilation and air conditioning, interior fit-out services and glazing solutions. We provide these services either directly, through our Subsidiaries, Consolidated Interiors Limited and Noble Consolidated Glazings Limited or in certain cases through third parties.

Our Company was incorporated in 1997 in Chennai by our Promoters, four of whom have over 20 years experience each in the construction sector. Since completing our first project, a temple in Tamil Nadu in 1998, we have executed 334 projects, comprising of 104 industrial projects, 172 commercial projects, 14 infrastructure projects, and 44 residential projects across 14 states and union territories in India. The built up area of the projects constructed by us aggregates approximately 19.0 million sq.ft. comprising of 3.84 million sq.ft. in the industrial sector, 12.68 million sq.ft. in the commercial sector, and 2.48 million sq.ft. in the residential sector. Our projects include factories, residential and commercial buildings, hospitals, hotels, power plants and structures in the infrastructure sector such as water tanks, water supply schemes and bridges. We have regional offices in Chennai, Bangalore, Hyderabad, Delhi, Pune and Kolkata.

As of July 31, 2007 we were executing 146 projects across various states in India of which we are yet to commence construction on ten projects. These projects involved the proposed construction of 4.57 million sq.ft. of industrial space, 17.96 million sq.ft. of commercial space, and 0.55 million sq.ft. of residential space.

As of July 31, 2007, the total value of our order book is Rs. 20,495.68 million. These projects include industrial structures, IT parks, commercial building, airport terminal buildings, hotel, hospitals and educational institutions. Our order book consists of (i) unbilled portions of our ongoing projects and (ii) projects for which we have received orders and are yet to commence construction.

As of August 31, 2007, out of the 500 orders received by us so far (including ten orders received by us since August 1, 2007), 185 have been placed by clients for whom we have executed projects in the past.

We have constructed structures for a variety of private and public sector clients. Our private sector clientele operate in diverse sectors such as IT / ITES, hospitals, hospitality, pharmaceuticals, education, hospitality, manufacturing, retail, malls and multiplexes. Our clients include Infosys Technologies Limited, Ascendas IT Park (Chennai) Limited, Khivraj Technology Park Private Limited, Manipal University, Airport Authority of India Limited, Hi-Tech Carbon (a unit of Aditya Birla Nuvo Limited) and the Infosys Foundation.

Our public sector clients include the AAI and public utility works like power distribution entities and water supply boards.

We have demonstrated the ability to providing engineering services in the field of pre-fabricated buildings including pre cast and pre stressed concrete structures as well as pre fabricated steel structures while servicing our clients.

Some of the prominent projects successfully completed by us include:

- A 10,000 square meter large span prayer hall at Sringeri, using a combination of *in situ* pre cast and large exposed concrete technologies.
- A meditation hall for the Art of Living Foundation at Bangalore.
- A dome structure with a 53 meter diameter for Infosys Technologies Limited in Hyderabad.
- Two parabolic shell structures, each 28 meter wide for Infosys Technologies Limited at Bangalore.
- The 1.8 million sq. ft. Olympia Tech Park for Khivraj Tech Park Private Limited in Chennai. This structure is a gold rated green building and has been awarded the World's Largest Green Building award by LEED, USA.
- Platinum rated green building at the CII-Godrej Green Business Centre in Hyderabad.

- Large pre cast shell units, pre cast folded plates, pre stressed and pre fabricated girders, wall panels and buildings for industrial sheds for various clients.
- Pre fabricated large span portal structure for Intimate Fashions Limited in Chennai.

Some of our prominent ongoing projects include:

- Construction of software development buildings at Mangalore, Bangalore, Bhubaneswar, Chandigarh and construction of hostel facilities at Mysore for Infosys Technologies Limited including provision of .M&E services
- Construction of airport terminal buildings at Thiruchirapalli and Thiruvananthapuram airports.
- Construction of integrated medical campus consisting of hospital, medical college and hostel facilities at Puducherry.
- Construction of industrial facilities on a turn-key basis for a telecommunications special economic zone unit near Chennai.
- Construction of IT park in Chennai with waffle slabs for the parking area.

We provide our services through a concentric integration model which enables us to execute projects from the stage of their design and conceptualization to their completion using a combination of third party suppliers or service providers and in-house resources. To this end, we have developed an in-house software based design capability through our division Ugasoft, developed the ability to provide M&E, HVAC and plumbing services through our M&E division, developed the ability to provide interior fit-out services through our subsidiary Consolidated Interiors Limited and have developed the infrastructure to produce ready mixed concrete and building blocks through our building products division, and the capability to provide glazing and aluminium fabrication services through our Subsidiary, Noble Consolidated Glazings Limited.

Our concentric integration model seeks to ensure that products and services required for execution of our projects meet our quality and delivery standards. This model also seeks to minimize our dependency on third party suppliers for certain key products and services required in the process of execution of our projects.

Our revenues (including other income) have grown from Rs. 1,602.36 million in Fiscal 2004 to Rs. 8,683.71 million in Fiscal 2007, which is a CAGR of 76% and our profit after tax has increased from Rs. 41.20 million in Fiscal 2003 to Rs. 476.77 in Fiscal 2007, which is a CAGR of 126%.

The table below provides a breakdown of our contract revenue from different project segments during Fiscal 2007, 2006, 2005 and 2004.

Business category	**Fiscal 2007**		**Fiscal 2006**		**Fiscal 2005**		**Fiscal 2004**	
	Contract Revenue	**Percentage (%)**	**Contract Revenue**	**Percentage (%)**	**Contract Revenue**	**Percentage (%)**	**Contract Revenue**	**Percentage (%)**
Industrial	2,890.52	33.48	1,126.17	26.48	589.13	19.24	307.30	19.25
Commercial	5,047.67[1]	58.47	2,642.79	62.15	2,074.19	67.75	979.82	61.39
Infrastructure	150.49	1.74	7.93	0.19	65.63	2.14	17.56	1.10
Residential	276.71	3.21	303.51	7.14	324.83	10.61	291.36	18.26
Building Products	268.00	3.10	171.77	4.04	7.94	0.26	-	-
Total	**8,633.39**	**100.00**	**4,252.17**	**100.00**	**3,061.72**	**100.00**	**1,596.04**	**100.00**

1 includes a revenue of Rs. 136.57 million from Consolidated Interiors Limited.

The following table details our revenues in Fiscal 2007, 2006 and 2005 against geographies:

(Rs. in millions)

Geography	Fiscal		
	2007	2006	2005
East	81.13	31.02	-
South	7,961.92 [1]	3,733.96	2,834.22
West	46.07	-	0.02
North	542.38	485.28	227.48
Domestic	**8,631.50**	**4,250.26**	**3,061.72**
International	**1.89**	**1.91**	**-**
Total	**8,633.39**	**4,252.17**	**3,061.72**

1 *includes a revenue of Rs. 136.57 million from Consolidated Interiors Limited.*

While a substantial portion of our revenues arise from projects located in the South of India, we have established regional offices in the east and west of India in Fiscal 2007.

As of August 31, 2007, we have over 2,680 employees of which approximately 2,135 are qualified engineers or diploma holders. We own and operate construction infrastructure, including equipment like staging and shuttering material, high capacity concrete batching plants, tower cranes, concrete pumps and rotary rigs which have enabled us to leverage our construction experience to execute large and complex construction projects.

We are an ISO 9001:2000 certified Company. Some of our notable awards include the ICI-Birla Super Award for "outstanding open concrete structures for the corporate office building for Reserve Bank Note Mudran Private Limited", the "Employee Employer relationship" from the Rotary Club of Madras, Chena Patna and the "Par Excellence" award from the Builders Association of India. We have also received a souvenir from Infosys Technologies Limited in 2000 for our contribution in constructing Infosys City, Bangalore. Further, in 2001, we have received recognition from Infosys Technologies Limited for our outstanding contribution to the creation of its Software Development Center at Mangalore.

Our Strengths

Our ability to provide integrated turn-key construction services to clients operating in diversified sectors

We are a pure play provider of integrated turn-key construction services and have maintained a business focus on providing quality integrated construction services since our inception. We provide integrated turn-key construction services to clients operating in the industrial, commercial, residential and infrastructure and we build structures ranging from office buildings and hospitals to hotels, malls and multiplexes. Our Company was founded by our Promoters, who are qualified professionals in the area of civil engineering and construction, finance and management, with the objective of creating a pure play company and providing integrated turn-key construction services.

Our systems and processes have been designed with the purpose of managing and executing construction projects based on the experience of our senior management. We believe that our focus and design give us the ability to execute our projects, and deliver services to our clients in an efficient manner.

We have built the requisite competencies to execute projects from their design and conceptualization to their completion by adopting a concentric integration model. We believe that our 'concentric integration' model contributes to our ability to provide our clients with integrated turn-key construction services and permits us to reduce our dependency on third parties while executing our projects. This enables us to ensure that products and services required for development and construction of a project meet quality standards and are delivered on time.

We also own critical construction infrastructure that we require for the execution of our projects including scaffolding, batching plants, concrete pumps, tower cranes and rotary rigs which enable us to execute large and complex projects. It has been our experience that in most cases, the cost of hiring equipment over a period of time is high, and hence we believe that ownership and usage of modern concreting/ shuttering equipment results in a cost advantage for us. Ownership of this infrastructure enables quick mobilization and ensures the continuous availability of critical infrastructure for our various projects.

We further believe that being a pure play provider of core construction and engineering services has allowed us to focus our efforts and resources on developing our capabilities in the areas of construction and engineering.

Our scheme of concentric integration

We have adopted a scheme of concentric integration, which means that we have the key competencies and in-house resources to deliver a project from its conceptualization to completion. Our scheme of concentric integration includes services which are ancillary to our core construction activities including software based design and detailing, interiors contracting services, mechanical, electrical, plumbing and air conditioning design, glazing and aluminium fabrication services and building products division.

The divisions which provide the above additional services are led and managed by persons who are experienced in the areas of their function. The divisions providing the above services are closely integrated with our company wide management systems and processes.

We believe that our concentric integration scheme contributes to our ability to provide our clients with integrated construction services and permits us to reduce our dependency on third parties while executing our projects. It also enables the products and services required by us for the construction of a project meet our quality standards and are delivered in a timely manner. We believe that our scheme of concentric integration has been one of the important contributing factors to our successful completion of a number of projects in a timely manner, without compromising on quality.

Ability to execute innovative and complex structures

We have demonstrated the ability to execute innovative and complex structures. For example, we believe some of our structures like large shell and dome structures, including a large dome constructed for Infosys Technologies Limited in Hyderabad, a large and complex shell structure built for Infosys Technologies Limited in Bangalore, a 10,000 square meter large span prayer hall at Sringeri, using a combination of *in situ* pre cast and large exposed concrete technologies, and a 52 meter long portal span structure for Intimate Fashions Limited in Chennai exhibit our ability to build such unique and innovative structures.

We believe that this ability arises by reason of our possessing the requisite competencies at each stage of the project, right from its conceptualization to the execution of the construction and delivery of the project. At the conceptualization stage, we draw upon the strengths of our architectural and design team, mechanical, engineering and plumbing ("M&E") department, and the structural and project planning team to jointly plan the timely execution and delivery of the concept.

During the construction and delivery stage, we have relied upon the expertise of our project management team, as well as in-house resources or third party service providers to provide us with building products and glazing and aluminium fabrication services and interiors fit out services.

We believe that our demonstrated ability to build complex structures in diverse sectors for diverse clients has provided us the requisite experience to bid for, win and successfully execute such projects.

Our project management capabilities and delivery model coupled with our well documented internal systems and procedures

We believe that we have been successfully able to complete projects on time in a cost efficient manner without compromising on quality due to our project management and delivery model coupled with our well documented internal systems and procedures. The conceptualisation, design and project management aspects of our project are centralised with our planning and project management team located at our regional offices. The management and delivery of our project including their execution, project level costing and ensuring adherence to the delivery schedule, are carried out from the project site. This project management and delivery model enables us to scale-up our operations by seeking to make an optimal utilization of resources available to us and provides us with the ability to consistently adhere to performance and time parameters stipulated in respect of construction projects executed by us. We believe that this ability, combined with the quality of our construction enhances our distinctiveness in a competitive market. We place a special emphasis on seeking to ensure that our quality standards are adhered to at every stage of a project, for every product provided to a client. Our quality standards are documented and our work force is trained to ensure our quality standards are met. The quality of each of our projects is monitored by a separate quality assurance team.

We have developed a set of clearly defined and documented systems, for the management of the tendering, estimation, procurement and execution processes associated with our projects. These systems include

- the preparation of a 'zero cost' estimate of the resources required to execute a project at the commencement of the project,
- tracking of a project based on material, resources and time consumed on a real time basis against such zero cost estimate,
- a set of procedures to control deviations from the zero cost estimate, random audits and monthly physical inventories of materials and expenditure at project sites, and a system of regular review meetings to discuss project related issues with our execution personnel.

All of the above processes are tightly integrated with our in-house developed ERP system and permit real time tracking of a project at our regional offices, and permit significant autonomy at the execution levels while ensuring quality and consistency of output.

Qualified experienced and proven management team

Our management team is well qualified and experienced in the construction industry and has been in many ways responsible for the growth of our operations. In particular, four of our Promoters, who are also a part of the management have over 20 years experience each in the construction sector, and have been instrumental in driving our growth since inception of our business. For details on the qualifications and experience of our senior management team, refer to "Our Management" on page 108. We believe the strength and quality of our Promoters and management have been instrumental in implementing our business strategies.

We believe that our qualified, experienced and well-trained employee base is key to our enjoying a competitive advantage. As of August 31, 2007, we have 2,680 full-time employees, of which approximately 2,135 or approximately 79.66% are qualified engineers or diploma holders, and of which 2,275, or approximately 83%, are employed at our various project sites, while the balance are employed at our corporate office and regional offices. The skill sets of our employees give us the flexibility to adapt to the needs of our clients and the technical requirements of the various projects that we undertake. We are committed to the development of the expertise and know-how of our employees through regular technical seminars and training sessions organized or sponsored by the Company.

We believe that the above qualifications, and the level of information available to our management through our in-house developed ERP system, permits us to give our site level personnel a significant level of autonomy within the limits prescribed by the build plan and zero cost estimate for a given construction. We believe that this autonomy allows our personnel to be more innovative and flexible, and motivates them to perform better while executing their routine duties.

Our Strategy

Continue to focus on the high growth opportunities in industrial, commercial sector construction and increase our focus in infrastructure construction

We believe the continued demand from clients in the IT/ITES sector for commercial space, manufacturing and fabrication sector for industrial space and rising retail demand percolating to tier II and smaller cities and investment in industrial capacity creation will drive growth in the industrial and commercial construction sectors. We intend to take advantage of such growing opportunities industrial and commercial construction by strengthening our existing expertise and continuing to pursue growth opportunities in India. We further believe that the increasing levels of investment in infrastructure by governments and private parties will be a major driver for growth in our domestic business in the foreseeable future and intend to render our construction and construction allied services in relation for infrastructure projects including airports and public utilities.

Focus on projects which provide better margins

We intend to concentrate on projects and prospects in areas which offer higher margins. These may include turnkey projects and projects where our scope of work includes providing integrated construction services like interiors fit out services, M&E services and glazing services. Such projects offer greater profit margins because of the added control over project costs that can be exerted by us. We intend to target the said projects across various sectors and geographies.

Where we enter into contracts primarily through a competitive bidding process, contractors for major projects are selected by clients based on certain pre-qualification parameters including past experience in the execution of similar projects, technical ability and performance, reputation for quality, safety standards, financial strength and the price competitiveness of the bid. We intend to leverage our existing experience as well as our financial position to enhance our chances at the pre-qualification stage and win bids on contracts for larger scale projects.

Furthering our scheme of concentric integration

We believe that our scheme of 'concentric integration' contributes to our ability to provide our clients with integrated turn key construction and construction allied services, and permits us to reduce our dependency on third parties while executing our projects and ensures that the products and services required for development and construction of a project meet our quality standards and are delivered in a timely manner. We believe that our scheme of concentric integration has been one of the important contributing factors to our successful completion of a number of projects in a timely manner, without compromising on quality.

Going forward, we propose to further develop our scheme of concentric expansion by establishing a dedicated interiors factory and developing a capability in glazing and aluminium fabrication through our Subsidiaries, Consolidated Interiors Limited and Noble Consolidated Glazings Limited. We are in the process of identifying the location to establish our interiors factory and glazing and aluminium fabrication factory. We have also identified equipment for our interiors and glazing and aluminium fabrication factory and estimate that we will be required to incur an expenditure of Rs. 57.54 million towards our interiors factory and Rs. 10.43 million towards our glazing and aluminium factory. We believe that by the establishment of a dedicated interiors factory and glazing and aluminium fabrication factory through our subsidiaries will provide us with greater opportunity to leverage our sector specific knowledge and capitalize on the profit margins available.

We also intend to develop our software design capabilities and offer our services to a wider range of clients by upgrading the capacity of our Yuga Design division.

Developing a client base which furthers our corporate goals and objectives

During the course of our history, we have executed projects for reputed clients including Infosys Technologies Limited, Ascendas IT Park (Chennai) Limited, Khivraj Technology Park Private Limited, Manipal University, Airport Authority of India Limited, Hi-Tech Carbon (a unit of Aditya Birla Nuvo Limited) and the Infosys Foundation all of whom have approached us with relationship orders. As of August 31, 2007, out of the 500 orders received by us so far, 185 have been placed by clients for whom we have executed projects in the past.

We believe that our association with certain of our clients has enabled us to service significant portions of their own construction requirements and break into new accounts in which we can provide our services through referrals.

Thus, our strategy for growth also involves continuing to service reputed corporate clients in the future since we believe it would enhance our brand image and standing in the construction industry.

Develop and maintain strong relationships with our clients and strategic partners

Our services are significantly dependent on winning construction projects undertaken by large public and private sector agencies and companies, and infrastructure projects undertaken by governmental authorities and others and funded by governments. Our business is also dependent on developing and maintaining strategic alliances with other contractors with whom we may want to enter into project-specific joint ventures or sub-contracting relationships for specific purposes. We will continue to develop and maintain these relationships and alliances. We intend to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our opportunities.

Focus on increasing our national presence and commence our international operations

We have recently commenced construction activities in the western and eastern part of India in Pune and Kolkata respectively and recently established regional offices in these areas. We intend to extend our operations across India as part of our future business model. Apart from pursuing opportunities in India, our objective is to expand and strengthen our overseas operations such as the Middle East and GCC, by capitalizing on our domestic experience in varied working conditions. We believe that the Middle East, which is experiencing a recent increase in construction activities, is an attractive market in which we can seek to render our services. In this regard, we have entered into an agreement for a joint venture with Tradeline LLC, Dubai, which has generated Rs. 817,295 as revenues in Fiscal 2007.

In international markets, we propose to focus on the medium size contracts where local competition is lesser and we have the capability to compete with large multi national players for such projects.

Attract, train and retain qualified personnel

We understand that maintaining quality, minimising costs and ensuring timely completion of engineering and construction projects depends largely on the skill and workmanship of our employees. As competition for qualified personnel and skilled labours are increasing among construction companies in India and as we pursue greater growth opportunities, we seek to attract, train and retain qualified personnel and skilled labours by increasing our focus on training our staff in advanced and basic engineering and construction technology and skills. We also offer our engineering and technical personnel a wide range of work experience and learning opportunities by providing them with an opportunity to work on a variety of large, complex construction projects and forming cross functional teams with the objective of giving them an opportunity to innovate. We have inaugurated a skill development centre on April 21, 2007 at the outskirts of Chennai to train people on activities like masonry, building materials handling and carpentry and recruit them as building technicians.

We propose to establish a dedicated management development institute on land we own. We estimate that we will be required to incur an expenditure of Rs. 48.57 million towards our skill and management development centres. See "Objects of the Issue" on page 34.

We believe that the establishment of a dedicated skill development centre may serve as a potential source of skilled labour for our operations.

Strengthen capabilities through inorganic expansion

We primarily enter into contracts through a competitive bidding process or on a cash for services basis. While the majority of our constructions will continue to be on this basis, we intend to seek strategic alliances and form project-specific joint ventures with Indian or foreign companies to target larger scale infrastructure projects. We also intend to develop a food processing Special Economic Zone through a special purpose vehicle through strategic alliances. We intend to leverage the opportunities to gain new clients and enhance offerings to existing clients. We intend to look for strategic acquisition opportunities that have complementary capabilities and help us expand into new geographies.

Investment in new technologies to enable us to use innovative construction methods to increase cost efficiency

We propose to consider investments in innovative construction methods.. We intend to apply this technology in order to execute larger projects and build modular structures in a rapid and cost efficient manner, minimizing labour and time requirements at critical junctures.

Order Book

Our Order Book consists of (i) unbilled portions of our ongoing projects and (ii) projects for which we have received orders and are yet to commence construction. For the purposes of this section, the term "order book" shall include orders booked with us as well as with our Subsidiaries Consolidated Interiors Limited.

While our order book is indicative of the projects that will execute in the future and is also indicative of the revenues that may be generated from such projects, the orders in our order book may not fructify as they are subject to cancellation and modification by our clients. For risks associated with treating our Order Book as being indicative of our future growth and revenues, refer to "Risk Factors" on page xi.

As of July 31, 2007 , the total value of the projects that we are currently constructing less the portion of the order accounted by us towards revenues is Rs. 14,911.83 million and for those for which we have received orders on which we are yet to commence construction is Rs. 5,583.85 million. As of July 31, 2007, the total value of our order book is Rs. 20,495.68 million.

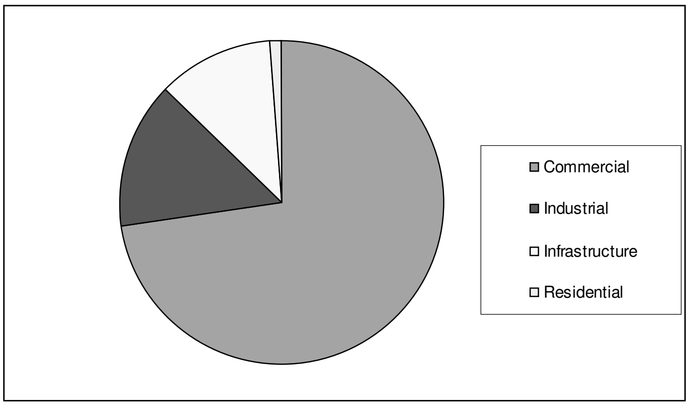
The following table sets forth the value of our order book as of July 31, 2007, March 31, 2007, 2006 and 2005:

(Rs. in millions)

	As of July 31, 2007	As of March 31, 2007	As of March 31, 2006	As of March 31, 2005
Industrial sector	3,008.58	3,337.89	1,253.18	482.08
Commercial sector	14,860.20	12,603.26	5,172.34	1,720.69
Infrastructure sector	2,426.47	1,733.93	0.19	8.13
Residential sector	200.43	293.03	198.32	387.42
TOTAL	**20,495.68**	**17,968.11**	**6,624.03**	**2,598.32**

Segment Composition of Order Book

As of July 31, 2007, the total value of our order book was Rs. 20,495.68 million. The graph below indicates the division of our order book between our business segments:



Composition of Order Book based on services

The following table sets forth the distribution of the order book based on services as on July 31, 2007:

Services	Rs in Million	Percentage (%)
Construction	17,032.69	83.10%
M&E	2,230.49	10.88%
Interiors	692.64	3.38%
Glazing	539.86	2.63%
Total	**20,495.68**	**100.00%**

Geographical Composition of Order Book

The following table sets forth the geographical distribution of the order book as on July 31, 2007:

Geography	Rs in Million	Percentage (%)
East	58.87	0.29
North	1,121.38	5.47
South	18,958.42	92.50
West	357.01	1.74
Total	**20,495.68**	**100.00**

Some Details of our Order Book

The following table sets forth certain information concerning some of our top contracts in our Order Book by outstanding value as on July 31, 2007:

Sl. No.	Description of Project	Contract value (Rs million)	Order book (Rs million)	Expected date of completion
1	Construction of IT Park near Chennai	3,200.00	3,200.00	December, 2008
2	Construction of new airport terminal building at Thiruvananthapuram	1,109.00	1,053.16	August, 2008
3	Construction of hostel facility including M&E and Interiors services at Mysore for Infosys Technologies Limited	1,600.00	1,016.16	December, 2007
4	Construction of integrated medical campus consisting of hospital, medical college and hostel facilities at Puducherry	1,308.15	908.06	January, 2008
5	Construction of new terminal building at Mangalore	876.63	875.16	September, 2008
6	Construction of IT SEZ near Chennai on a turn key basis	1,205.50	800.50	December, 2007
7	Construction of a hotel for a large chain in Chennai	759.54	757.56	December 2008
8	Construction of IT park at Chennai	1,516.57	716.66	May, 2008
9	Construction of industrial facilities on a turn-key basis for a telecom SEZ unit near Chennai	1,630.00	704.45	October, 2007
10	Construction of office building for a media company in Chennai	690.91	690.91	May 2009
11	Construction of IT park and residential complex at Hyderabad	611.30	611.30	March, 2009
12	Construction of IT park for an IT Company in Chennai	562.17	562.17	September, 2008
13	Construction of IT park for Prakruthi Infrastructure and Development Company Limited	568.20	561.22	July 2008
14	Construction of IT park for Ascendas IT Park (Chennai) Limited	1,110.19	457.64	October, 2007
	Total	**16,748.16**	**12,914.95**	

These orders represented about 63.01% of our order book as on July 31, 2007, based on the outstanding values as on July 31, 2007.

Order inflow

Order inflow represents the value of the orders received during a particular Fiscal. The following table sets forth the average order value per project and the number of projects for the respective fiscal years based on order inflow for the respective fiscal years:

Business category	Fiscal 2007			Fiscal 2006			Fiscal 2005		
	Number of projects (a)	Order inflow (b) [1]	Average order value (b/a) [1]	Number of projects (a)	Order inflow (b) [1]	Average order value (b/a) [1]	Number of projects (a)	Order inflow (b)[1]	Average order value (b/a) [1]
Industrial	38	4,975.23	130.93	28	1,897.28	67.76	18	684.07	38.00
Commercial	61	12,227.39	200.45	47	6,081.50	129.39	33	2,470.35	74.86
Infrastructure	4	1,884.22	471.06	-	-	-	1	67.85	67.85
Residential	3	371.42	123.81	2	114.40	57.20	9	500.37	55.60
Total	**106**	**19,458.26**	**183.57**	**77**	**8,093.18**	**105.11**	**61**	**3,722.64**	**61.03**

1-Rs in million

The following table sets forth the break up of order inflow based on geography for the respective fiscal years:

Business category	Fiscal 2007		Fiscal 2006		Fiscal 2005	
	Number of Projects	Order inflow (Rs million)	Number of Projects	Order inflow (Rs million)	Number of Projects	Order inflow (Rs million)
East	1	92.30	3	94.27	-	0
South	94	17,844.21	69	7,308.31	58	3,461.64
West	2	525.30	-	0	-	0
North	9	996.45	5	690.60	3	261.00
Total	**106**	**19,458.26**	**77**	**8,093.18**	**61**	**3,722.64**

Relationship orders

Relationship orders represents the order inflow from clients for whom we have executed orders in the past. The table below sets forth the order inflow from clients from whom we have executed projects in the past for the respective fiscal years :

Business category	Fiscal 2007		Fiscal 2006		Fiscal 2005	
	Number of Projects	Order inflow (Rs million)	Number of Projects	Order inflow (Rs million)	Number of Projects	Order inflow (Rs million)
New client	66	9,673.64	44	4,485.68	32	1,845.86
Relationship clients	40	9,784.62	33	3,607.51	29	1,876.79
Total	**106**	**19,458.27**	**77**	**8,093.19**	**61**	**3,722.65**

Our Operations

We are a provider of integrated turn-key construction services in the commercial, infrastructure, industrial and residential sectors. Our integrated turn-key construction services include a range of (i) construction services such as construction design, engineering, procurement, construction and project management and (ii) construction allied services such as mechanical, electrical, plumbing, fire-fighting, heating, ventilation and air conditioning, interior fit-out services and glazing solutions. We provide these services either directly, through our Subsidiaries, Consolidated Interiors Limited and Noble Consolidated Glazings Limited or in certain cases through third parties.

For the purposes of this section, the term "our services" shall refer to core engineering, procurement and construction, services provided by us and the construction allied services provided by our Subsidiaries Consolidated Interiors Limited and Noble Consolidated Glazings Limited and the term "we" shall collectively refer to us and our Subsidiaries, Consolidated Interiors Limited and Noble Consolidated Glazings Limited.

We provide our services in four broad sectors namely, industrial, commercial, infrastructure and residential sectors.

Our industrial projects include factory buildings and related facilities for manufacturers in textile and garments, pharmaceutical, sugar, automobile, engineering sectors, FMCG, leather, electrical and electronics, cement, telecom, paper and newsprint, power transformers, paints and chemicals, glass and bottling sectors.

Our commercial projects include buildings for IT/ITES sector, office spaces, hotels, hospital buildings, retail malls, multiplexes, entertainment facilities, auditorium, educational buildings, facilities for charitable institutions and other special purpose buildings like marriage halls and clubs.

Our infrastructure projects include airport terminals, power generation facilities, water supply schemes including overhead water tanks and water distribution infrastructure and bridges covering river over bridges and railway over bridges.

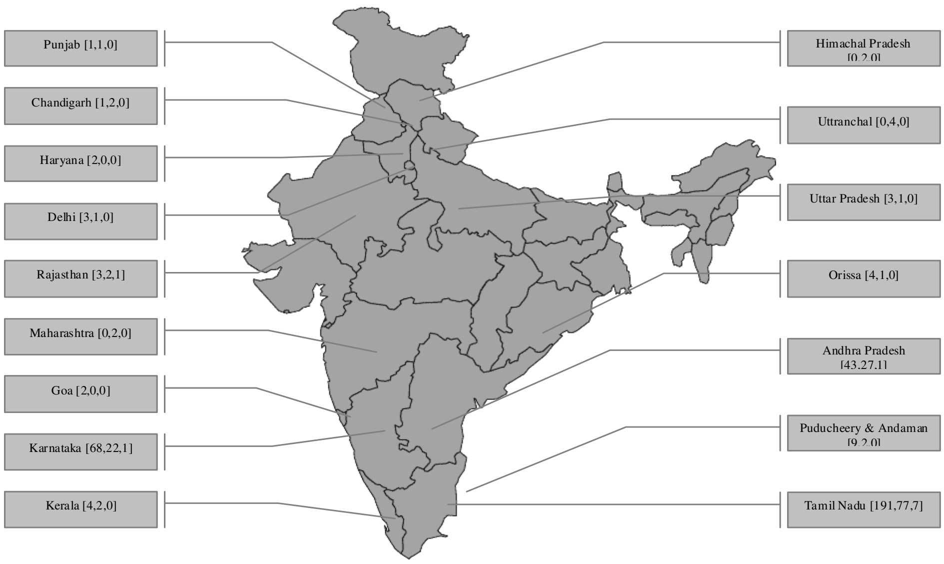
Our residential projects include housing projects, multi-storey residential complexes and residential blocks.

The following tables indicate our contract revenue across our various sectors booked in the Fiscal 2005, 2006 and 2007:

Business Segment	Sub-Segment	Fiscal 2007	Fiscal 2006	Fiscal 2005
Industrial	Automobile	848.63	138.77	76.58
	Bottling plant	-	118.13	39.29
	Electrical and electronics	39.82	2.17	21.72
	Engineering	226.26	386.70	56.92
	FMCG	336.03	97.32	101.18
	Glass	34.34	24.31	2.32
	Leather	-	7.29	3.12
	Others	86.97	7.10	33.55
	Paints and chemicals	47.03	-	-
	Paper and newsprint	114.70	-	-
	Pharmaceutical	332.68	264.45	83.56
	Sugar	17.71	1.27	36.25
	Telecom	684.82	-	-
	Textiles and garments	28.23	75.70	134.65
	Power Transformer	93.31	2.96	-
Industrial Total		***2,890.53***	***1,126.17***	***589.14***
Commercial	Auditorium	10.96	-	-
	Charitable	-	0.31	2.44
	Educational	684.71	240.09	274.79
	Hospital	137.76	67.12	55.19
	Hotels	78.02	53.89	21.16
	IT/ITES	3,292.10	1,563.70	1,179.08
	Office space	113.31	393.04	376.98
	Others	663.24	235.37	141.46
	Press building	67.57	80.93	30.56

Business Segment	Sub-Segment	Fiscal 2007	Fiscal 2006	Fiscal 2005
Commercial Total		***5,047.67***	***2,634.45***	***2,081.66***
Infrastructure	Airport	150.49	1.00	65.63
	Bridges	-	-	-
	Power plant	-	4.39	-
	Water supply scheme	-	2.54	-
Infrastructure Total		***150.49***	***7.93***	***65.63***
Residential	Residential	276.71	303.51	324.83
Residential Total		***276.71***	***303.51***	***324.83***
Building Products	Building Products	268.00	180.11	0.48
Building Products Total		***268.00***	***180.11***	***0.48***
Total contract Revenue		**8,633.39**	**4,252.17**	**3,061.73**

We have executed projects and are executing projects across 17 states including union territories in India. Our completed and on-going projects are depicted in the map:



Note: The set of three figures in bracket after the name of the state/union territory indicates number of completed projects, number of on-going projects and number of yet to start projects respectively. The map is not to scale and is not meant to represent the geographical boundaries of India and its states, and is only for reference purposes.

Our Industrial Projects

We provide a range of construction services including design, specialized structural work, specialized industrial flooring, machinery foundations, sheds, and other related services for factory and industrial projects. We cater to clients in the textile and garments, pharmaceutical, sugar, automobile, engineering sectors, FMCG, Leather, electrical and electronics, cement, telecom, paper and newsprint, power transformers, paints and chemicals, glass and bottling plants.

We have executed 104 industrial projects, of which, 61 are located in Tamil Nadu, 17 are in Karnataka,15 are in Andhra Pradesh and 11 are located in various other states/union territories throughout India.

Some of our prominent factory and industrial structures include:

Description of the Project	Location	Contract Value (In Rs. Million)	Completion Date
Construction of factory building and press shop facility for large automobile manufacturer	Chennai, Tamil Nadu	174.97	March, 2007
Construction of Bio-park for a pharmaceutical company	Bangalore, Karnataka	150.31	August, 2003
Construction of Bio-park and R&D facility for a pharmaceutical company	Hebbal , Karnataka	147.02	June, 2003
Construction of factory and canteen building for an engineering company	Peenya, Karnataka	136.87	March, 2000
Construction of bottling plant	Palakkad, Kerala	121.75	March, 2000
Construction of factory buildings for automobile ancillary company	Tumkur, Karnataka	98.88	February, 2007
Construction of factory building	Ghaziabad, Uttar Pradesh	98.17	August, 2006
Construction of R&D block for Sigma Aldrich Laboratories	Bangalore, Karnataka	97.54	February, 2007
Construction of factory buildings automobile ancillary company	Bangalore- Karnataka	95.34	November, 2006
Construction of factory buildings for a precision tool company	Chennai-Tamil Nadu	95.30	December, 2006
Construction of factory buildings for Intimate Fashions Limited	Guduvancherry, Tamil Nadu	82.77	August, 1999

Our Commercial Projects

We have constructed over 172 commercial projects, of which, 86 are located in Tamil Nadu, 46 are in Karnataka, 22 are in Andhra Pradesh and 18 are located are various states/union territories throughout India.

Our commercial projects include buildings for IT/ITES sector, office spaces, hotels, hospital buildings, retail mall, multiplex and entertainment facilities, auditorium, educational buildings, facilities for charitable institution and other buildings like marriage halls and clubs. For all of the above constructions, we provide services including civil engineering, planning, procurement and execution services in relation to construction, as well as construction allied services including mechanical, electrical, plumbing, fire-fighting, heating, ventilation and air conditioning, interior fit-out services and glazing services.

We have also undertaken interiors contracting work in relation to 15 of our commercial projects of which 12 projects are exclusive interiors contracting projects and the balance are composite contracts.

Some of our prominent projects in the commercial sector:

Description of the Project	Location	Contract Value (In Rs. Million)	Completion Date
IT/ITES			
Construction of IT Park for Khivraj Techpark Private Limited	Chennai, Tamil Nadu	287.82	November, 2006
Construction of software development block for Infosys Technologies Limited	Hyderabad, Andhra Pradesh	283.81	December, 2002
Construction of Phase-I Ascendas IT Park (Chennai) Limited	Chennai, Tamil Nadu	259.12	March, 2005
Construction of IT park in IT SEZ	Kochi, Kerala	194.09	February, 2007
Commercial Buildings			
Construction of retail mall and multiplex	Bangalore, Karnataka	225.26	April, 2005
Construction of corporate office for a PSU in the electronic sector	Bangalore, Karnataka	128.48	March, 2004
Educational			
Construction of innovation centre for Manipal University	Mangalore, Karnataka	213.62	March, 2005
Construction of hostel and study block	Bangalore, Karnataka	77.78	March, 2005
Construction of faculty building and staff quarters	Bangalore, Karnataka	47.13	July, 2004
Hospital, Hotels and Resorts			
Construction of hostel and staff quarters	Puducherry	45.90	December 2003
Construction of hospital building for Niloufer hospital for Infosys Foundation	Hyderabad		October, 2005
Construction of hospital building for Victoria Hospital for Infosys Foundation	Bangalore		August, 2006
Construction of hospital building for Capitol hospital for Infosys Foundation	Bhubaneswar	77.07	May, 2006
Construction of Green Park hotel	Chennai, Tamil Nadu	75.52	September, 2004
Construction of Residency Towers hotel	Chennai, Tamil Nadu	60.44	December, 2002
Office Space			
Construction of office space and IT block for automobile ancillary manufacturer	Bangalore, Karnataka	193.44	March, 2006
Construction of new visa building for a high commission	Chennai, Tamil Nadu	220.27	March, 2006
Press Buildings			
Construction of facility for housing printing press	Hyderabad Chennai	179.06	November, 2005 July, 2006

Our Infrastructure Projects

We provide infrastructure construction or construction allied services for airport terminal buildings, power stations, water supply schemes including overhead water tanks and water distribution infrastructure and bridges covering river over bridges and railway over bridges. We commenced work on our first infrastructure project by construction of water supply scheme in Chittor, Andhra Pradesh. Our infrastructure portfolio includes bridges, an airport cargo terminal, water supply scheme, power stations and allied facilities.

We believe that infrastructure projects will play a significant role in our business and are engaged in developing skill sets in providing engineering and construction services for infrastructure projects, including airport terminal buildings, power projects and water supply schemes.

The following table provides a brief summary of some of our infrastructure projects

Name of Project	Location	Contract Value (in Rs. millions)	Completion Date
Erection electrical fencing	Hyderabad, Andhra Pradesh	67.85	March 2006
Power plant	Bamboo Islands, Andaman and Nicobar Islands	47.34	January 2002
Rail over Bridge	Tiruvallur	23.04	April 2003
WSS	Madurantagam	21.97	March 2004
Water Tank	Thanjavur	15.59	December 2002
WSS	Tirukoilur	14.25	October 2002
River over Bridge	B Mettur, Tamil Nadu	11.17	June 2001
River over Bridge	Polur	10.39	March 2002

Our Residential Projects

We have executed over 44 projects in the residential sector including housing projects, multi-storey residential complexes and residential blocks for entities. Of our 44 residential projects, 33 are located in Tamil Nadu, five are located in Karnataka, four are located in Andhra Pradesh and two are located in other locations in India.

Our scope of work in our residential projects typically involves the entire range of services including design, procurement, construction and project management of the project. We propose to expand this scope of services to offer interior design and contracting services to our potential clients. We have executed 2 projects in the residential sector for Yuga Homes Limited, which forms a part of our Promoter Group.

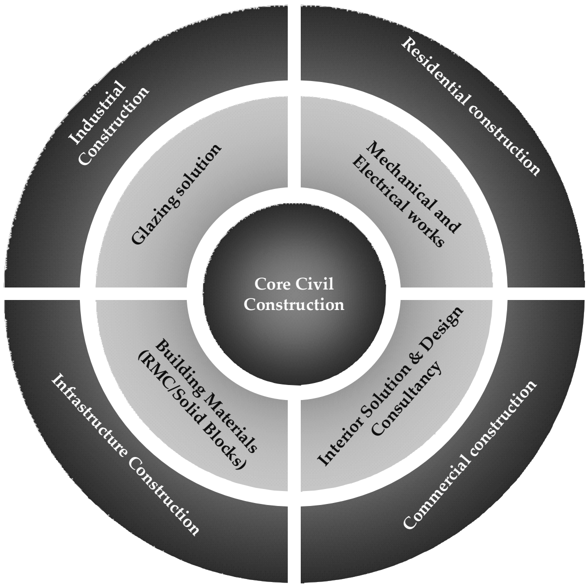
The following table provides a brief summary of some of our Residential Projects:

Location	Contract Value (In Rs. Million)	Completion Date
Chennai, Tamil Nadu	161.76	August, 2006
	126.62	June, 2006
	100.08	January, 2007
	74.10	December, 2004
	61.05	October, 2005
	61.02	January 2005
	37.14	January 2007
	36.93	March 2005
Bangalore, Karnataka	93.49	December, 2003
	89.38	November, 2006

Our Concentric Integration Initiatives and Integrated Construction Services

We have adopted a concentric integration initiative to help us provide Integrated Construction Solutions to our clients. This initiative is focussed on developing or otherwise obtaining certain key competencies and in-house resources to deliver our services at various stages in a project ranging from its conceptualization to its completion. Our scheme of concentric integration includes obtaining the infrastructure and ability to provide services in ancillary and core construction activities including software based design and detailing, interiors contracting services, mechanical, electrical, plumbing and air conditioning design and the ability to provide building products for our construction services.

The following is a graphical representation of our Concentric Integration initiative:



Our Mechanical and Electrical Division ("M&E Division" or "M&E")

Our M&E Division is primarily responsible for the management and execution of electrical, mechanical, plumbing, heating, ventilation and air-conditioning works at project locations. This division has been providing its services for projects that we construct, and is proposing to commence the provision of services for projects which it tenders for independently.

This division also provides consultancy and execution services for various contract works. These services are typically provided at a fixed rate per square foot. In addition to providing and implementing electrical, mechanical, plumbing and air-conditioning works, the M&E division also provides design, estimation and procurement services.

With a view to improving the range of offering provided by this division, we have initiated the provision of services from this division for infrastructure projects in the power transmission and airport sectors.

This division has pre-qualified and tendered for the development of power transmission infrastructure including a 220 KV substation in Karnataka. With the objective of developing our ability to provide services in this sector, we have obtained an ESA license from the government of Tamil Nadu. Our M&E division is also engaged in providing services at the Chennai, Thiruchirapalli and Thiruvananthapuram airports.

As of August 31, 2007, our M&E department employed 102 employees including engineers, supervisors and staff.

Consolidated Interiors Limited (CIL)

Our Subsidiary, CIL is engaged in the provision of interior contracting and fit out services for our own projects and to a range of third party public and private sector clients. It was formed as a result of a goodwill agreement entered into between our Company and Trendtech CDAC, an entity engaged in providing interior contracting services. For further details in this regard, please refer to "History and Certain Corporate Matters – Consolidated Interiors Limited" on page 99.

The core services provided by Consolidated Interiors Limited include the manufacture and assembly of wood and wood based products including doors, windows, flooring, ceilings, panelling and custom built furniture for commercial and residential use.

While Consolidated Interiors Limited does possess an in house design capability, it typically engages in the execution of interior design schemes and production specific drawings received from clients and third party designers. We propose to strengthen our in house design capability and develop a dedicated interior design team within Consolidated Interiors Limited with the objective of providing integrated design and execution services in the interiors space.

CIL typically operates from our project sites and engages in the on site fabrication and installation of interiors. We are proposing to carry out the above fabrication operations at a dedicated factory for which we are currently in the process of identifying land. We have also identified the equipment for our interiors factory and estimate that we will be required to incur an expenditure of Rs. 57.54 million. For further details on the proposed factory to be constructed for CIL see "Objects of the Issue" on page 34.

The primary raw material for our interiors division includes timber, wood, plywood, gypsum board, floor titles, false ceiling panels and work stations, which we source locally and import. As of August 31, 2007, Consolidated Interiors Limited employed 77 employees of which 39 were engaged in providing services at various project sites. As of March 31, 2007 Consolidated Interiors Limited had a total income of Rs.157.08 million.

Building Products Division

Our Building Products Division consists of batching plant for production of ready mixed concrete and manufacturing facility for production of building blocks. We have 12 batching plants engaged in the production of various grades of ready mixed concrete at various locations in India. Our batching plants are relocated to our various project locations depending on demand and have operated in locations like Tamil Nadu, Karnataka, Andhra Pradesh, Maharashtra and Chandigarh.

The chief raw materials for our building products division are cement, aggregates, sand and water all of which we sourced locally. Our building products division produces ready mixed concrete and building blocks for our own in house consumption and also, and surplus is sold to third parties at prevailing market rates.

In order to diversify the range of offerings provided by our building products division, we have established an in-house capability to produce building blocks that comprises of solid and hollow concrete blocks at a dedicated concrete products facility. We have established our building products division in the outskirts of Chennai. This division has commenced test production and upon becoming fully operational, will have the capacity to produce 10,000 solid or hollow blocks per day.

Our building products division has been established by us with the objective of ensuring that raw materials for our building projects are of a suitable quality and strength and ensuring a consistent and regular source of supply for ready mixed concrete and building blocks.

As of August 31, 2007 our building products division employed 70 employees. For the Fiscal 2007, our RMC plants have supplied 0.45 million cubic meters of RMC including 0.33 million cubic meters of ready mixed concrete for our in-house requirements and 0.12 million cubic meters of RMC to third parties generating a revenue of Rs.268.0 million.

Information Technology Department (Ugasoft)

Ugasoft is our in-house information technology department and is engaged in the design, development, implementation and management our information technology infrastructure including our in-house ERP software.

Our ERP software was designed, developed and built by our software division. It has been organically developed and integrated over a period of ten years based on an analysis of routines and procedures followed by each of our business functions during the course of their operations. Beginning with a module for our finance and accounting functions, the software has expanded to include a technical module for our operations functions, a module governing our project implementation functions, an SCM module governing our procurement and supply chain functions, and a module for human resources and payroll management.

The above process of development has resulted in a very close integration between our in house ERP and our day to day business operations and procedures, as a result of which we are able to track and manage our operations on a real time basis. Our central server running the ERP software is located at Vadapalani Chennai. Our registered office and our regional offices are connected to the central server through dedicated leased line links and broadband links.

Our technical infrastructure provides for centralized, redundant back up facilities which are based in a separate disaster recovery centre located in Mylapore, Chennai.

We intend to further develop and package our in house ERP software for the purposes of marketing the same to as packaged software to third parties. As of August 31, 2007, UgaSoft currently employs 12 qualified personnel.

Software Design Division (Yuga Design)

Yuga Design is our in house software design division which provides integrated software based engineering design services to a variety of domestic and international clients including large engineering companies and to prominent architects.

Yuga Designs services involve the development of detailed designs, drawings and estimates from concepts and plans which are provided to it by its clients. Upon receiving concept drawings and plans from its clients, Yuga Design produces a design basis report which records client needs and specifications based on various inputs including the building codes and construction specifications which would be applicable to the structure being designed. Upon approval of the design basis report, Yuga Design engages in the production of detailed designs, drawings and estimates using commercially available design software in conjunction with custom built, proprietary and client specific services.

Yuga Design has unique expertise in the use of xsteel software and has produced in house design templates compliant various design standards including AISE, BS and Australian code. Yuga Design is currently proposing to expand its offering to include a structural steel monitoring system which will permit it to provide design, detailing phase and the fabricating services for reinforced structures.

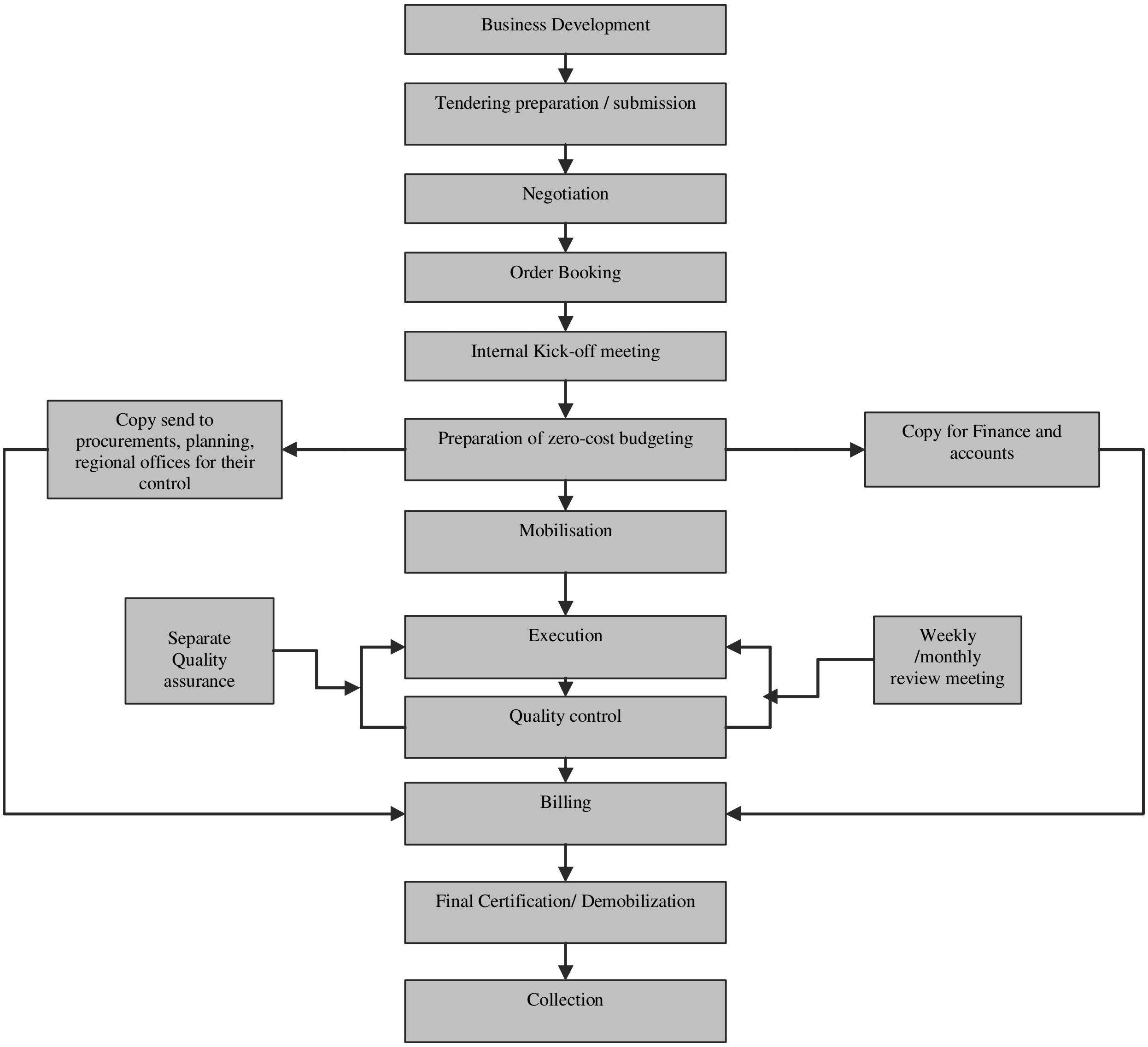
As of August 31, 2007, Yuga Design currently employs 14 qualified personnel.

Glazing Solutions

We have, in the past, been providing glazing solutions as part of our turn-key construction services to various clients through third party service providers. In order to further our scheme of concentric integration, we have incorporated our Subsidiary Noble Consolidated Glazings Limited and are providing glazing solutions in-house.

We had entered into a Memorandum of Understanding dated May 23, 2007 with Mr. M. Ramesh Kumar and Mr. A.S. Jaya Gopi who are partners in the concern M/s Noble Associates which has been engaged in providing glazing services. Under the MOU, the said Mr. M. Ramesh Kumar and Mr. A.S. Jaya Gopi have agreed to dissolve their partnership firm M/s Noble Glazings and take up full time employment with Noble Consolidated Glazings Limited with effect from May 31, 2007. Mr. M. Ramesh Kumar and Mr. A.S. Jaya Gopi have also agreed to execute a suitable non-compete undertaking with our Company.

Project Lifecycle



Business Development

Our business development department is responsible for identifying business opportunities available to our company and enhancing the range and number of projects which we bid for. Our business development department gathers information from various sources including public notifications to identify suitable projects and opportunities which it forwards to our tendering department.

Our business development department in co -ordination with our tendering department is also responsible for interfacing with our clients and government agencies, to clarify pre-qualification requirements and other information that may be required for us in order to bid for transactions.

We have dedicated business development personnel at each of the regional offices which develop regional business with reference to regional quarterly targets and report directly our central business development team.

Tendering

Approximately 68% of all our projects have been awarded to us following some form of competitive bidding procedure. Thus, we, as a part of our business, regularly estimate the cost, material and time implications for the implementation of various prospective projects in order to make a bid for the same. We also make an analysis of the terms of each tender within a relatively short period in order to determine the commercial viability and acceptability thereof and respond to the tender or seek modifications to the same. The process of undertaking projects by way of tenders exposes us to various risks all of which may materially and adversely affect our profitability and results of operations. For details on the risks associated with the tendering process refer to "Risk Factors" on page xi.

Our Company has a centralized tendering department that is responsible for managing the process of responding to tenders. Upon being advised of a suitable tender, the department engages in carrying out a preliminary evaluation of the proposed project, including conducting a site visit and reviewing the terms of the tender. The visit enables us to determine the site condition. Further we may also undertake local market surveys to assess the availability, rates and prices of materials which are inefficient to transport and the availability of other resources like labour in that particular region.

Cost determination, pricing and tender workings for all low value jobs are handled at the regional level, larger value tenders are costed at the central office level. While the costing and estimation activities for a specific tender are carried out by personnel from our tendering department, actual tender pricing for certain categories of tenders is determined by our senior management.

The tendering division further interfaces with our procurement division to determine the availability and costs of various materials which they estimate will be required for executing the proposed tender. The gathered information is then analysed to arrive at the cost of items included in the BOQ. The estimated cost of items is then marked up to arrive at the selling price to the client. The basis of determination of the mark-up is based in part on the evaluation of the conditions of the contract by our top management.

The preliminary evaluation process attempts to determine the particular needs and capabilities required by the project and estimate the expenditure, timelines and other particulars required with reference to the project.

Further, where the terms of a tender are inaccurate, unacceptable or otherwise requirement modification, our tendering department attempts to approach the entity floating the tender and seek a modification thereof. Any ambiguities or inconsistencies in the document issued by the client are brought to the attention of the client for further clarification. The above activities usually take place at a pre bid meeting by the prospective client.

The outputs from the tendering department in a successful bid ordinarily consist of a completed negotiated tender document, indicating any deviations approved by the client, a preliminary plan of execution and a bill of quantities which indicates the materials estimates for the projects.

Planning and Estimation

While our tendering department prepared preliminary estimates with reference to the requirements of our projects, actual estimates and schedules on which a project is executed are prepared by our planning department.

Our planning department undertakes an in depth analysis of a prospective project based on inputs from a survey of the site, designs and requirements provided by our clients and the tender documents for a given project. Based on the above information, and after detailed consultations with our site level engineers and other persons responsible for the project, our planning department engages in the preparation of a "zero cost" estimate, outlining the material, time and personnel requirements for a particular projects and a schedule for the execution of the project.

The zero cost estimate is our base project implementation document and is tied in to our ERP package, billing systems and our internal project review and revisions systems as the final document against which deviation in terms of time, cost or material are tracked. Timelines and costs under our zero cost estimate may not necessarily coincide with timelines and costs under our tendered bid.

Procurement and Supply Chain Management

We believe that suitable material procurement to obtain material of a suitable quality at suitable prices, and the management of our supply chain to ensure adequate supplies of materials to site, while minimizing overstocking are critical to ensuring our continued profitability and success.

We accordingly have a specialized procurement and supply chain management department which manages procurement for our projects across the country. We engage in procurement at both a centralized and site level.

Our centralized procurement department is responsible for the procurement of heavy machinery and equipment as well as expensive fungible assets which can be used by us across various work sites.

We procure other materials including cement, aggregates, sand, plumbing and electrical items, steel, ready mixed concrete, granite, cement, blocks, tiles, sanitary fittings, paints, tools and construction equipment and services for our projects at the site or regional office levels.

Upon the award of a contract, our procurement division is provided with the project bill of quantities, and other details including the quality of material required. Another important input that the procurement department receives is the zero cost estimate prepared for the relevant project.

Based on the above inputs, our procurement department ensures that the raw material requirements of each project are satisfied in a timely and cost effective manner. While we ordinarily conduct procurements on the basis of prevailing market prices, we have in certain cases entered into arrangements to minimize the impact of market fluctuations in the price. Some of the above arrangements require that we deposit advance amounts with the vendors and also require that we ensure procurement of certain quantities of materials within a fixed time period.

Our Company has over the years developed an extensive vendor database for various materials and services and developed relationships with certain of vendors for key materials, services and equipment. We believe that our relationships with these vendors, which have been built on the basis of a long association and prompt payments, ensures that we receive favourable prices and payment terms from such vendors.

Our Project Execution Framework

Our Managing Director is responsible for the overall control of our projects. Our Director, Operations is responsible for managing the execution of each of our projects and reports to our Managing Director. We have six regional managers located at each of our regional offices across India. Each of these regional managers is responsible for managing operations in each of our regions and ensuring the profitability of the teams functioning therein. They report to our Director Operations. Planning managers at each of our regional offices assist our regional managers in arriving at planning schedules and resource requirements for each project within their respective regions. A sector head, reporting into the regional manager, is responsible for the execution of jobs falling within his business segment and ensuring the profitability and timely completion of projects in his sector.

Project co-ordinators, reporting into each sector head are responsible for the co-ordinating between our regional offices, site offices, job sites and clients for between 4 to 5 projects. They are responsible for arranging the delivery of resources for execution at the optimal time and cost to each of the projects they are managing. Each project is managed by a project manager or resident engineer depending upon its size and complexity. These personnel are responsible for the execution of their projects on time, in accordance with client specification and within their budgeted time and cost estimates. A planning engineer and site engineer report into our project manager or resident engineer. Planning engineers are responsible for scheduling and sequencing of jobs, planning of material and costing of the project and billing on clients. Site engineers are responsible for the execution of jobs at site and manages a team of foremen and labourers who carry out actual construction activity.

Each of our projects is monitored by a dedicated quality consultant who reports directly to our Director, Operations and Managing Director.

Project Execution

We typically begin execution on a project upon receiving formal intimation of our appointment on the said project. This intimation, usually by way of a letter of acceptance or letter of intent also grants us access to the project site and permits us to begin our mobilization activities.

Our mobilization activities typically involve transporting material, equipment and personnel to site. We typically commence some construction activities on a site within a week of mobilization and complete the mobilization stage within two weeks of commencing activity.

The inputs into our project execution process are the final tender document forwarded by our tendering department and the zero cost estimate and plan prepared by our planning and estimation department. Additional inputs include detailed drawings for the project, which may in certain cases be sourced from our in house design division Ugasoft.

Our project execution teams are headed by a resident engineer/project engineer and engage in the execution of projects based on the execution schedule prepared by us, subject to changes in scope requested by our clients.

While our projects typically involve excavation, earthmoving and other site preparation activities, preparation of foundations, fabrication of steel based frameworks, concreting and finishing activities, the scope of each project may vary vastly depending on the nature and complexity of the structure being created.

We are an ISO 9001:2000 certified company and maintain clearly defined and documented quality procedures that are integrated with our in house ERP system. Quality assurance personnel are located at each of our various project sites and our projects are typically reviewed towards the end of their execution cycles by specialized third party quality experts.

Our projects are inspected by client representatives towards the end of our project execution cycle and a snag list, which identifies all the corrections or rectifications that are sought by client, is prepared. We then proceed to resolve the snags identified by the client.

Our project execution cycle typically extends between 12 and 18 months for our projects and may extend between 8 and 12 months for our smaller projects.

Our Equipment

We believe that our strategic investment in equipment and fixed assets is an advantage that enables us to rapidly mobilize our equipment to project sites as needs arise. Having such an asset base is in our view an important advantage in serving the technically challenging and diverse nature of the construction projects in which we are engaged. Our equipment is managed, maintained and operated by our plant and machinery department at our maintenance and repair facility in Kolapakkam on the outskirts of Chennai.

The following table provides a list of some of our more substantial equipment as of August 31, 2007:

Sl. No.	Machinery	No's	Supplier Name
1.	Batching Plants	13	Schwing Stetter India Pvt Ltd
2.	Concrete Pumps	17	Schwing Stetter India Pvt Ltd
3.	Piling Rigs	1	Mait s.p.a.
4.	Ice Vibro Hammer 416l	1	International Construction Equipment BV
5.	Tower Crane & Toolkit	3	Action Construction Equipment Limited
6.	Tower Crane & Toolkit	3	Shirke Construction Equipments Pvt Ltd
7.	Tower Crane & Toolkit	3	Kwang Nyung Gun Ki Co Ltd
8.	Hollow Block Making Machine	1	Pakona Engineers I Pvt Ltd
9.	Earth Moving Machinery	1	Ingersoll Rand (India) Limited
10.	JCB	1	JCB India limited
11.	Sokkia Electronic Total Station	2	Electro Optics Pvt Ltd
12.	Compound Mixer Co Mix and Pump P30	1	M Tec
13.	Autoweld Machinery	1	Ranga Weld Products Pvt Ltd
14.	Mobile Crane	2	Action Construction Equipments Limited

Joint Ventures and Strategic Alliances

We have executed joint ventures in the form of partnerships with the object of carrying out the business of developing group housing projects.

Yuga Builders, a joint venture between Yuga Homes Limited and our Company was formed with the object of carrying out the business of developing group housing projects at a Padi Village, Chennai. Yuga Developers, a joint venture between Ambattur Clothing Limited, Yuga Homes Limited and our Company. Yuga Developers was formed with the object of carrying out the business of developing group housing projects in the Thiruverkadu village, Chennai.

In addition we have also entered into a memorandum of understanding dated September 18, 2005 with Trade line LLC, under which we have agreed to jointly carry out engineering and construction activities in the GCC countries.

For further details see "History and Certain Corporate Matters" on page 99.

Competition

We operate in a competitive environment. The construction sector sees a variety of competitors ranging from small niche players with specific experience to large, well established entities. Competitive stresses in our sector are further enhanced by pre qualification requirements which bidders are required to possess before being entitled to compete for projects. These requirements essentially ensure that only entitles who have the specified experience in a specific industry or sector will be entitled to participate in the same. Some of our competitors may have significantly greater resources than those available to us. For detail of the risks associated arising from our risk factors, refer to "Risk Factors — Our Growth Strategy to Expand into New Geographic Areas and Functional Areas Poses Risks" on page xi.

Insurance

Our operations are subject to hazards inherent in providing engineering and construction services, such as fire, earthquake, flood and force majeure events, risk of equipment failure, work accidents, terrorist and hostile acts, and risks associated with adverse working environmental conditions. Some or all of these risks may fructify resulting in injury and loss of life to our employees and contractors, damage to or destruction of property and equipment and environmental damage. We may consequently be subject to claims resulting from the above losses and additionally may become liable to our clients under our construction contracts for delays and defects arising from our services provided by us within the warranty periods extended by us, which can range from 12 to 60 months from the date of the handover of our projects to clients.

While we typically obtain contractor's all risk insurance and contractor's plant and machinery for some of our construction projects, personal accident and workmens compensation claims for our employees. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate. Risks of loss or damage to project works and materials are often insured jointly with our clients.

Our significant insurance policies consist of coverage for risks relating to physical loss or damage by way of all risks coverage on our projects. Loss or damage to our materials and property, including contract works, whether permanent or temporary, and materials or equipment supplied by us or supplied to us, are generally covered by "contractors' all risks" insurance.

Some of our construction contracts or sub contracts require us to obtain insurance for our project. We believe that we are materially in compliance with such requirements.

We also maintain motor vehicle policies and workmen's compensation policies as well as hospitalization and group personnel accident policies for our permanent employees. We maintain key man insurance policies for our Chairman and Chief Executive Officer, Managing Director, Director, Operations and Chief Financial Officer.

Our Employees

We believe that we have a qualified, competent and experienced employee base, managed by senior and middle management personnel who, for the most part, have core engineering backgrounds and experience. We believe that the above characteristics permit us to give our execution level employees significant autonomy in managing their operations. For more details see "Our Business – Strategy".

As of August 31, 2007, we have 2,680 full-time employees, of which approximately 2,135, or approximately 79.66%, are qualified engineers or diploma holders, and of which 2,275 or approximately 84.89%, are employed at our various project sites, while the balance are employed at our corporate office and regional offices. The following is an indication of the growth of our employee base since our inception since Fiscal 2005:

As at March 31	No. of Employees
2005	906
2006	1,423
2007	2,000

Our employees are currently not unionized. We have not experienced any work stoppages, delays or deficiencies in the execution of our projects by reason of industrial action. We believe that our relationship with our employees is good and such belief is further substantiated by the fact that our Company recently won and award for the Best Employer-Employee Relationship. For details of the said award, refer to "Our Business" on page 70.

Human Resources, Systems Training

We believe that the quality of human resources enjoyed by our Company arises from our human resources management practices and systems which rely on a combination of definite procedures, efficient planning and a system of checks and balances including randomly conducted internal audits and monthly reviews of department-wise performance to manage an reward our employees. Our Human resources management systems are closely integrated with our organizational policies and procedures and are tracked and managed using our organization's ERP systems.

We believe that our continued success will be dependent on our ability to recruit, train, retain and regard high quality professionals. In light of the above, we expend a significant degree of organizational resources and time on systematized and regular training programs for our new and existing employees. The standard training period for new recruits in our Company is four weeks. Our Company has very recently introduced an Employees Stock Option Scheme to provide incentives our employees. For details on our Employee Stock Option Plan see "Capital Structure – Notes to Capital Structure - Employee Stock Option Plan, 2006" on page 20.

We follow a liberal remuneration policy which permits us to accommodate the location specific needs and aspirations of our middle management.

We have, till date, not experienced any material shortages of employees either at the administration level or the site-level management and execution level despite a rapid increase in our personnel requirements.

Health, Safety and Environment

We believe that ensuring the health and safety of our employees is critical to the successful conduct of our business and operations. We are therefore committed to complying with applicable health, safety and environmental regulations and other requirements in our operations. To ensure the desired degree of compliance, we have initiated documented policies to identify and classify potential risks and have implemented the requisite safety procedures and controls to minimize workplace accidents and hazards. We employ specialized safety personnel to ensure the implementation of our HSE policies and conduct regular training sessions for our employees in connection with such policies.

Our Properties

The Company's registered office and corporate office are located on various floors of the property bearing No.5, Second Link Street, C.I.T Colony, Mylapore, Chennai 600 004 on property which has been leased by us. The lease agreements for the first floor and second floor of the above property are in force till December 31, 2007 and March 1, 2009 respectively and are terminable with prior notice by the lessor. For risks associate with our leasing of our registered office refer to "Risk Factors" on page xi.

We have regional offices in Chennai located at 13, West Sivan Koil Street, Vadapalani, Chennai which we own. Our regional offices in Bangalore, located at 1018, 16th Main, I Phase, 1st Stage, BTM Layout, Hyderabad located at B-16, Vikrampuri Colony, Vikrampuri, Secunderabad, New Delhi located at A1/263, Mezzanine Floor, and Safdarjung Enclave, Pune located at No.101/102 Elegant Residency, Plot No.7, Opp. Symbiosis Int'l School, Viman Nagar, Pune 411 014 and Kolkata located at No.103, D/1, Second Floor, Block F, New Alipore, Kolkata 700 053, are all rented or leased to us.

In addition to the above properties we own 12.64 acres of land on the outskirts of Chennai and 3.26 acres of land in Bangalore, where our godowns are located, and 4.79 acres of land in the ourskirts of Chennai where we have located our batching plant and buildings products division1.

We and our Subsidiaries Consolidated Interiors Limited and CCCL Infrastructure Limited have acquired approximately 126.98 acres of land at this location. We propose to convey all of the aforesaid land to our subsidiary, CCCL Infrastructure Limited.

We are in the process of acquiring approximately 9,467 sq. ft. of space in New Delhi which we intend to use for our operations. We have made a payment of approximately Rs. 42.23 million as an advance towards the acquisition of this property.

Our Intellectual Property

We do not own the CCCL trademark or logo. Samruddhi Holdings has made an application before the Registrar of Trademarks, Chennai for registration of the CCCL trademark under various classes in combination with the CCCL label and logo. We have entered into an agreement with Samruddhi holdings, an entity forming part of our Promoter Group for the use of the said mark.

Samruddhi Holdings and our Company have entered into a revised letter of undertaking dated March 18, 2006 for the use of the name "Consolidated Construction Consortium" in the name of our Company. This Agreement has been amended vide letter dated August 17, 2007. The agreement permits the formation of our Company in the said name and assigns and transfer all of the rights of Samruddhi Holdings to the brand name in favour of our Company, for its exclusive use, and for use in the construction sector. Samruddhi Holdings has also undertaken to be responsible for conceptualizing and developing certain software required by the Company.

In return for the right to use the above mark, our Company is required to pay Samruddhi Holdings 4% of our audited profit before tax at the end of every financial year subject to a maximum of Rs. 20 million. The above license fee is to accrue or arise upon the expiry of ten years from the date of the Company commencing its business or its cumulative turnover reaching Rs. 10 billion. Upon such commencement, the license fee will continue to be payable in each successive years where the turnover of the Company exceeds Rs. 1 billion.

For further information refer to the section titled "History and Certain Corporate Matters" on page 99.

Corporate Social Responsibility

We in furtherance to our commitment to corporate social responsibility have actively contributed to various social causes during the course of our operations. These contributions include contributions to the Akshaya Pathra scheme and the initiation of the Vimuktha Vidhya Trust which sponsors the higher education of four undergraduates in the engineering stream and one undergraduate in a non engineering stream, all of whom are typically children of our employees.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and the governments of the various states that we operate in. The information detailed in this chapter has been obtained from the various local legislations and the bye laws of the respective local authorities that are available in the public domain.

The construction industry in India is governed by Central and State legislations that regulate the substantive and procedural aspects of the construction of residential, commercial, industrial and infrastructure projects. Our discussion is restricted to applicable central legislation and the legislation of certain states in which the Company operates. Investors are advised to undertake their independent study in relation to the regulations applicable to us, for carrying out our business in various States in India.

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

Labour Related Legislations

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

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 ("BOCWA") is a comprehensive central legislation governing construction workers which aims at regulating their employment and conditions of service and to provide for their health, safety and financial health, among other welfare measures. Under the BOCWA, every employer employing ten or more building workers for building or construction work in the past 12 months must apply for registration of its establishment. The Act also provides for the regulatory regime to establish 'Boards' at the Central and the State level, to regulate the functioning of provisions the Act.

The BOCWA vests with the building and other construction workers welfare board, the responsibility of providing for immediate assistance in case of accidents, old age pension, loans for construction of houses, premia for group insurance, financial assistance for education, to meet medical expenses, maternity benefits etc. to beneficiaries under the BOCWA. Comprehensive Central Rules i.e., the Building and other Construction Workers (Regulation of Service and Conditions of Service) Central Rules, 1998 have been notified by the Central Government, which elaborate on the health and safety measures that must be taken in relation to construction workers.

Building and Other Construction Workers' Welfare Cess Act, 1996

The Building and Other Construction Workers Welfare Cess Act, 1996 ("Cess Act") provides for the levy and collection of cess on the cost of construction incurred by the employer with a view to augmenting the resources of the building and other construction workers welfare board constituted under the BOCWA. Under the Cess Act, cess amount is levied and collected from the employer, within 30 days of completion of construction project, at such rate not exceeding two per cent but not less than one per cent of the cost of the construction.

Contract Labour (Regulation and Abolition) Act, 1970

In the event that any aspect of the activities of the Company is outsourced and carried on by labourers hired on contractual basis, then compliance with the Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") becomes necessary. The CLRA regulates the employment of contract labour in establishments in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. It governs their conditions and terms of service and provides for abolition of contract labour in certain circumstances.

The CLRA requires the principal employer of the concerned establishment to make an application to the registered officer for registration of the establishment, failing which, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour, except under and in accordance with such license. Further, the CLRA ensures the welfare and health of the contract labourers, by imposing certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

Payment of Wages Act, 1936

The Payment of Wages Act, 1936 ("PWA") aims to regulate the payment of wages to certain classes of employed persons. Pursuant to Section 2(g) of the Act, it also applies to the construction industry. The PWA makes every employer responsible for the payment of wages to a person employed by him. The PWA prescribes periods for which wages must be paid, time of payment of wages, permissible deductions from wages, etc.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("MWA"), provides for the fixing of appropriate minimum wages for workers involved in the various scheduled industries as specified in the Act. The Schedule of the Act refers to 'employment on the construction' or 'maintenance of roads or in building operations'. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 ("PGA") provides for payment of gratuity, to an employee, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years: (a) on his/her superannuation; (b) on his/her retirement or resignation; (c) on his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply).

The PGA establishes a scheme for the payment of gratuity to employees engaged in establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months; and in such other establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months, as the central government may, by notification, specify.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 ("PBA") provides for payment of bonus on the basis of profit or productivity to people employed in factories and establishments employing twenty or more persons on any day during an accounting year. The PBA ensures that a minimum annual bonus is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Under the PBA every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or Rs.100, whichever is higher.

Workmen's Compensation Act, 1923

The Workmen's Compensation Act, 1923 ("WCA") provides for the payment of compensation to workmen by employers for injuries by accident and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment.

Industrial Employment (Standing Orders) Act, 1946

The Industrial Employment (Standing Orders) Act, 1946 ("Standing Orders Act") requires employers in industrial establishments, which employs 100 or more workmen, to define with sufficient precision the conditions of employment of workmen employed relating to matters specified in the Schedule of the Act, and to make such conditions of employment known to such workmen. The Standing Orders Act requires every employer to which the Standing Orders Act applies to certify and register the draft standing order proposed by him in the prescribed manner. Until such certification the prescribed Standing Orders given in the Standing Orders Act must be followed.

Employee State Insurance Act, 1948

The Employee State Insurance Act, 1948 ("ESIA") aims to provide benefits for employees who are in receipt of wages upto Rs. 6,500 per month or their beneficiaries in case of sickness, maternity, disablement and employment injury. Every factory or establishment to which the ESIA applies is required to be registered in the manner prescribed.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") aims to institute provident funds and pension funds for the benefit of employees in establishments which employ more than 20 persons and factories specified in Schedule I of the EPFA.

Environmental Legislations

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act") provides for the constitution of a Central Pollution Control Board ("Central Board") and State Pollution Control Boards ("State Boards"). The Water Act debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State and Central Boards.

Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act") mandates that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area. The Central and State Boards constituted under the Water Pollution Act are also to perform functions as per the Air Pollution Act for the prevention and control of air pollution.

Environment Protection Act, 1986

The Environment Protection Act, 1986 ("EPA") has been enacted for the protection and improvement of the environment. The EPA empowers the Central Government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The Central Government may make rules for regulating environmental pollution.

Under Sections 3(1) and 3(2)(v) of the EPA, the *Coastal Regulation Zone Notification 1991* was formulated, declaring Coastal Stretches as Coastal Regulation Zone (CRZ) and Regulating Activities in the CRZ. Clauses 2(xi) and 2(xii) of the Notification impose prohibitions on construction activities in ecologically sensitive areas as specified in Annexure-I and any construction activity in the prescribed coastal area, except facilities for carrying treated effluents and waste water discharges into the sea, facilities for carrying sea water for cooling purposes, oil, gas and similar pipelines and facilities essential for activities permitted under the Notification.

Foreign Investment Regime

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

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

At present, foreign investment in companies engaged in construction activities falls under the RBI automatic approval route for FDI/NRI investment upto 100%.

Shops and Establishments Legislation

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

Building Regulations

In certain of our turn key products, our Company is required to ensure that the projects being constructed by it conform to applicable regulations and norms. In these projects, in addition to the legislations detailed above our Company is also subject to various state specific and sector specific building regulations, specifications, bye laws and rules. These rules typically govern building specificati0ons, set backs, permissible floor area, requisite safety equipment and other related areas. Certain locations in which we operate in also prescribe zoning restrictions, which prohibit certain types of constructions within specific zones or areas.

Special Economic Zones, Act, 2005

SEZ's are regulated and governed by Special Economic Zone, Act, 2005 (the "SEZ Act"). The SEZ Act has been enacted for the establishment, development and management of the SEZs for the promotion of exports. An SEZ is a specifically delineated duty free enclave, deemed to be a foreign territory for the purposes of trade as well as duties and tariffs. A Board of Approval ("SEZ Board") has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. BOA has a number of powers including the authority to approve proposals for the establishment of the SEZ, the operations to be carried out in the SEZ by the developer, the foreign collaborations and foreign direct investments.

SEZs may be established under the SEZ Act, either jointly or severally by the central government, state government or any other person. As per the provisions of the SEZ Act, any person, who intends to set up an SEZ may, after identifying the area, make an application in Form-A read with Rule 3 of the SEZ Rules, 2006 to the respective state government of the state where the land is located, giving details of the said proposal. State Government may approve the said proposal within a period of 45 days from the date of receipt of such an application in terms of Section 3 of the SEZ Act, 2005, read with sub-rule 1 of Rule 4 of the SEZ Rules, 2006. Alternatively, an application may also be made directly to the BOA and the NOC from the state government may be obtained subsequently.

On receipt of such an application, the BOA may subject to certain conditions approve the proposal in terms of Section 9 of the SEZ Act, 2005 read with Rule 6 of the SEZ Rules, 2006 and communicate it to the central government. Upon receipt of the communication from the BOA, the central government under rule 6 of the SEZ Rules, within 30 days grants the letter of Approval. The central government may prescribe certain additional conditions while providing its approval.

The Developer is then required to furnish intimation to Department of Commerce, Ministry of Commerce and Industry, Government of India. giving details of the SEZ as required in terms of Rule 7 of the SEZ Rules 2006 and the Department of Commerce, Ministry of Commerce and Industry, Government of India on being satisfied with the proposal and compliance of the developer with the terms of the approval, issues a notification declaring the specified area as an SEZ under Rule 8 of the SEZ Rules, 2006.

Apart from the letter of approval from the central government for setting up of the SEZ, no other governmental license is required. Once an area is declared to be an SEZ, the central government appoints a Development Commissioner under Section 11 of the SEZ, Act who is responsible for monitoring and ensuring strict adherence to the legal framework and the day to day operations of the SEZ.

State SEZ Policies

Various states including the states of Maharashtra, Tamil Nadu and Rajasthan have their own state SEZ policies. The state SEZ policies prescribe the rules in relation to the various environmental clearances, water and power supply arrangements, state taxes, duties, local taxes and levies and we are required to follow the state policy in addition to any central policies.

HISTORY AND CERTAIN CORPORATE MATTERS

Our History

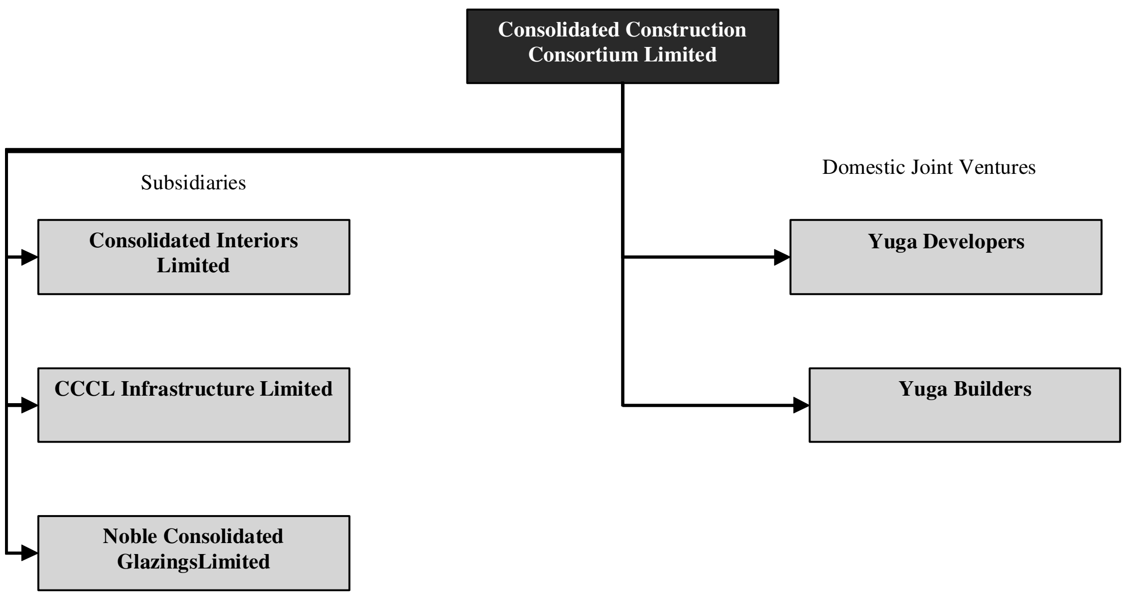
We were founded by four professionals who come from core engineering, management and finance backgrounds, and were incorporated as Consolidated Construction Consortium Limited on July 11, 1997. We are a provider of integrated turn-key construction services and have executed or are executing projects across 17 states and union territories in India. We provide integrated turn-key construction services in the industrial, commercial, infrastructure and residential sectors of the construction industry. Our integrated turn-key construction services include a range of (i) construction services such as construction design, engineering, procurement, construction and project management and (ii) construction allied services such as mechanical, electrical, plumbing, fire-fighting, heating, ventilation and air conditioning, interior fit-out services and glazing solutions. We provide these services either directly, through our Subsidiaries or in certain cases through third parties.

Our Company was incorporated in 1997 in Chennai by our Promoters, four of whom have over 20 years experience each in the construction sector. Since completing our first project, a temple in Tamil Nadu in 1998, we have executed 334 projects, comprising of 104 industrial projects in the sector, 172 commercial projects, 14 infrastructure projects, and 44 residential projects across 14 states and union territories in India The built up area of the projects constructed by us extends to 19 million sq.ft. comprising of 3.84 million sq.ft. in the industrial sector, 12.68 million sq.ft. in the commercial sector, and 2.48 million sq.ft. in the residential sector. Our projects include factories, residential and commercial buildings, hospitals, hotels, power plants and structures in the infrastructure sector such as water tanks, water supply schemes and bridges. We have regional offices in Chennai, Bangalore, Hyderabad, Delhi, Pune and Kolkata.

In March 2006, we received an equity investment of Rs. 1 billion from UTI Venture Funds and Evolvence. Further details on the above allotments refer to “Agreements with Investors” on Page 107.

In addition to our core business, we also provide interior contracting services and glazing and aluminium solutions respectively through Consolidated Interiors Limited and Noble Consolidated Glazings Limited, our wholly owned Subsidiaries, and have incorporated our subsidiary Noble Consolidated Glazings Limited with the object of providing glazing and aluminium solutions. We are also involved in providing construction services for certain projects through Yuga Developers and Yuga Builders, partnership firms in which we are partners. We have also entered into an MOU with Tradeline L.L.C with the object of providing services internationally. For further details of the above joint ventures see “History and Certain Corporate Matters – Our Joint Ventures”.

Our corporate structure is as follows:



Key Events and Milestones

Year	Key Events, Milestones and Achievements
May 2007	Incorporation of Noble Consolidated Glazings Limited
May 2007	Incorporation of CCCL Infrastructure Limited
April 2007	Opened our skill training centre near Chennai
March 2007	Opened our Kolkata Regional Office
November 2006	Opened our Pune Regional Offices
April 2006	Incorporated Consolidated Interiors Limited
March 2006	Investment by UTI Venture Funds and Evolvence
June 2003	Opened our Delhi Regional Office
April 2003	Constructed a convention center with an orthogonal structure and curve beam elements in a location in Mangalore for Manipal Academy of Higher Education.
March 2002	Constructed world's first platinum rated green building for CII-Godrej Green Business Center at Hyderabad.
March 2000	Constructed dome structure with a diameter of 53 meters for Infosys Technologies Limited at Hyderabad
August 1999	Received an order for a 52 metre long portal span structure in India for Intimate Fashions Limited, Chennai
March 1999	Constructed 2 hyperbolic paraboloid shell structures of 28 meter wide each for Infosys Technologies Limited at Bangalore
April 1998	Established a regional office in Bangalore
April 1998	Opened our Hyderabad Regional Office

Details of change in Registered Office

The registered office of our Company was shifted from No. 27A, Railway Colony, Nelson Manickam Road, Chennai 600 029 to No. 3, Second Link Street, CIT Colony, Mylapore, Chennai with effect from August 22, 1997 by means of a resolution of our Board dated August 22, 1997. The premises located at No. 3, Second Link Street, CIT Colony, Mylapore, Chennai was renumbered as No. 5, Second Link Street, CIT Colony, Mylapore, Chennai.

Our registered office was relocated for reasons of administrative convenience and with the objective of locating our corporate offices and our registered office in their present premises.

Main Objects

Our main objects enable us to carry on our current business and also the business proposed to be carried on by us as contained in our Memorandum of Association and are as follows:

1. To purchase, obtain on lease or otherwise acquire any land, erect, build, construct, improve, maintain, develop, alter, enlarge, pull down, replace, work, manage, carry out or control any buildings, houses, mills, industrial complexes and works of every kind and description including power works, and sell, hold mortgage, rent lease or otherwise deal in real estate, develop, make layouts, construct houses, flats, apartments, offices, factories, roads, dam, bridges, tanks, causeways, irrigation canals, barrages or otherwise carry on construction activities as contractors/sub contractors or developers including supply of materials, consumables, plants, equipments, manpower necessary for its execution and to undertake demolition contracts and demolition work.

2. To establish, open, run, manage, maintain, serve and continue organisations, shops and centres for maintenance of buildings and constructions of all descriptions, gardens, electrical, electronic and sanitary services, systems, apparatus and appliances, and to provide, render and serve such other common requirements as may be needed by flats, apartments, colonies, housing complexes and townships.
3. To act as Engineering Procurement and Construction (EPC) contractors, turnkey contractors and such other contractors for construction of all and every kind.
4. To manufacture and deal in tiles of all varieties for flooring, roofing, paneling, weathering, insulating such as mosaic ceramics, earthenware, cement, stone or any other variety of building material.
5. To carry on the business of recruiting both on direct basis and / or on agency basis workers and manpower involving/ comprising Technical and Non-Technical, Skilled, Unskilled, Semi-Skilled workers / labours and all other kinds of work force both for the project taken by/on behalf of the company both in India and Abroad.

Amendments to our Memorandum of Association

Date of Shareholder Approval	Nature of Amendment
April 16, 2007	The authorized capital of Rs. 20 million consisting of 19 million Equity Shares of Rs. 10 each and 1 million Preference Shares of Rs. 10 each was reclassified and increased to Rs. 450 million consisting of 45 million equity shares of Rs. 10 each.
July 22, 2005	The authorized capital of Rs. 100 million consisting of 9,000,000 equity shares of Rs. 10 each and 1,000,000 Preference Shares of Rs. 10 each was increased to Rs. 20.0 million consisting of 19,000,000 Equity Shares of Rs. 10 each and 1,000,000 Preference Shares of Rs. 10.
December 29, 2004	The authorized capital of Rs. 50 million comprising of 4 million Equity Shares of Rs. 10 each and 1 million Preference Shares of Rs. 10 was increased to Rs. 10.0 million consisting of 900,000 equity shares of Rs. 10 each and 1 million Preference Shares of Rs. 10. The shareholders of the Company, by means of an ordinary resolution, authorized it to undertake the businesses outlined in clause 2 and 3 of Part C of the Memorandum of Association, which read as follows: ■ To carry on in India or elsewhere the business as Consultants, Technical Experts, Advisors, Management and Financial Consultants, Management Information and Systems Consultants. ■ To carry on the business as investment, trust company and to underwrite, manage, guarantee, subscribe, broke, subbroke, invest, buy, sell or otherwise deal in shares, debentures, debenture stocks, bonds, units, obligations and securities issued, guaranteed, offered or otherwise placed by the Indian or Foreign Governments, Individuals. Firms. Companies. Trusts or Association of persons, States, Dominions, sovereigns, provinces, corporations, Municipalities, Panchayats, Public authorities of bodies and any Company, Corporation, Society, Firm, Association of persons, Body of Individuals or persons whether incorporated or established in India or elsewhere.
January 7, 2002	The authorized capital of Rs. 50 million comprising of 5 million Equity Shares of Rs. 10 each was sub divided into 4 million Equity Shares of Rs. 10 each and 1 million Preference Shares of Rs. 10 each.

Details of our Subsidiaries

Consolidated Interiors Limited

Consolidated Interiors Limited was incorporated on April 20, 2006 and has its registered office at No. 5, Second Link Street, CIT Colony, Mylapore, Chennai 600 004. and is engaged in executing interior contracting and fit out services for our own projects apart from a range of public and private sector clients.

Consolidated Interiors was formed as a result of a Goodwill Purchase and Performance Contract dated May 17, 2006 entered into between our Company and Mr. R. Srinivasan, the owner of Trendtech CDAC, an entity engaged in providing interior contracting services. Under the said contract, Mr. Srinivasan has conveyed the goodwill of TrendTech CDAC consisting of its business information, processes, drawings, formulae, price lists, customer lists, supplier and distribution lists, price lists, customer files, computer programs, technical and engineering data, trade information and marketing materials as well as Mr. Srinivasan's contacts and business connections for a sum of Rs. 5.0 million.

Under the Agreement, Mr. Srinivasan has, *inter alia*, also agreed to (a) not to compete in the same line of business i.e. interior turn key contracts or to engage in any other business and further to engage himself full time into Consolidated Interiors Limited as its Chief Executive Officer; (ii) bring in and retain his existing team from TrendTech CDAC in favour of Consolidated Interiors Limited for an unlimited period of time; and (iii) ensure attaining the business plans specified in the agreement

We have not engaged in a third party valuation of the aforementioned assets of TrendTech CDAC. The valuation of the said business was carried out internally and was based on internal estimates of the estimated value of the said assets. Following the conclusion of the arrangement with Mr Srinivasan, our subsidiary CIL has been engaged in successfully providing services for our in house and third party projects and has generated revenues of Rs.136.59 Millions as of March 31, 2007.

Main Objects of Consolidated Interiors Limited

1. To manage, maintain, develop, design and carry out interiors in particular for all architectural designs and structural designs, projects, multiplexes, commercial complexes, residential complexes and exteriors in general both in India and abroad either on a turnkey basis or otherwise.
2. To undertake activities relating to manufacture, fabricate, process, import, export, trade and deal in all kind of materials including ferrous and non ferrous items, plastics, modular and other materials, furniture and wood, electrical and allied materials, air conditioning and allied cooling systems, and all other materials used in the design and development of interiors for various types of structures in particular and exteriors in general either on a turnkey basis of otherwise.

Shareholders as of August 31, 2007

The shareholding pattern of equity shares of Consolidated Interiors Limited is as follows:

S.No.	Shareholder	Number of shares	Percentage (%)
1.	Consolidated Construction Consortium Limited	1,973,844	100.00
2.	Mr. R Sarabeswar	1	0 .00[1]
3.	Mr. S. Sivaramakrishnan	1	0 .00[1]
4.	Mr. V.G. Janarathnam	1	0 .00[1]
5.	Mr. T.R. Seetharaman	1	0 .00[1]
6.	Mr. R. Srinivas	1	0 .00[1]
7.	Mr. X. Arulanandan	1	0 .00[1]
	TOTAL	**1,973,850**	**100.00**

1 *Less than 0.01%. Shares being held for the benefit of Consolidated Construction Consortium Limited.*

Directors as of August 31, 2007

The board of directors of Consolidated Interiors Limited comprises of Mr. R. Sarabeswar, Mr. S. Sivaramakrishnan, Mr. P. Venkatesh, Mr. T.R. Seetharaman and Mr. Kaushik Ram S.

Financial performance

(In Rs.)

	Year ended March 31, 2007
Operating Income and other income	157,083,491[1]
Profit/Loss after tax	14,292,315
Reserves and Surplus	14,302,315
Equity capital (par value Rs. 10)	19,738,500
Earnings per share	11.09
Book value per share	17.07

1 *Inclusive of increase or decrease of work in progress.*

For further details on the operations of Consolidated Interiors Limited, refer to "Our Business – Consolidated Interiors Limited".

CCCL Infrastructure Limited

CCCL Infrastructure Limited was incorporated on May 9, 2007 and has its registered office at No. 5, Second Link Street, CIT Colony, Mylapore, Chennai 600 004. India and has been formed with the object of engaging in the development of Special Economic Zones. CCCL Infrastructure Limited received its certificate of commencement of business on July 18, 2007.

Main Objects of CCCL Infrastructure Limited

To develop, design, build, promote, organize, operate and maintain either as a developer or co-developer or otherwise Special Economic Zone projects for the Food Processing, Information Technology, Multi Products, Auto, Leather, Gem and Jewellery and for such other sectors as may be approved by the Government.

To acquire land and buildings either on out-right basis or on a joint venture basis or on a turn key basis both in India and abroad to develop, build, construct, make structures and other related activities in the field of residential and housing complexes, multiplexes, commercial complexes, designing and laying out of villages and town-ships, warehousing complexes, storage Units, community and social centers.

To carry out the activities of interiors, carpentary, Electrical Installations, Masoning, Fumigation, Treatments and other related activities in the ordinary course of business relating and connected to the development of residential, Housing and other complexes.

To acquire, retain and improve land or properties for industrial, commercial and for other approved purposes in Special Economic Zones.

Shareholders as of August 31, 2007

S. No.	Shareholder	Number of shares	Percentage (%)
1.	Consolidated Construction Consortium Limited	499,994	100.00
2.	Mr. R Sarabeswar	1	0 .00[1]
3.	Mr. S. Sivaramakrishnan	1	0 .00[1]
4.	Mr. V.G. Janarathnam	1	0 .00[1]
5.	Mr. T.R. Seetharaman	1	0 .00[1]
6.	Mr. E. Viswanathan	1	0 .00[1]
7.	Mr. S Kaushik Ram	1	0 .00[1]
	TOTAL	**500,000**	**100.00**

1 *Less than 0.01%.Shares being held for the benefit of Consolidated Construction Consortium Limited.*

Directors as of August 31, 2007

The board of directors of CCCL Infrastructure Limited comprises of Mr. R. Sarabeswar, Mr. S. Sivaramakrishnan, Mr. V. G.Janarthanam and Mr. T.R. Seetharaman.

Financial performance

No financial statements have been prepared till date for CCCL Infrastructure Limited as the company was incorporated in May 9, 2007.

Application to the SEZ

Our Company has made an application to the dated September 27, 2006 to the Industry Secretary, Government of India and has proposed to establish CCCL Infrastructure Limited with the objective of establishing up a food processing special economic zone in Tuticorin District, Tamil Nadu an area of over 300 acres and with a proposed investment of Rs. 3722.80 million and the objective of generating export revenues and employment in Tamil Nadu. We have undertaken in our application to acquire the said lands ourselves without the aid of any government assistance. Our proposal has been examined and recommended for in principle approval by the Government of Tamil Nadu. The company has received a formal approval from the Government of India for setting up of a Food processing Special Economic Zone in Tuticorin District, Tamil Nadu vide letter No.F-2/589/2006-SEZ dated July 26, 2007.

Noble Consolidated Glazings Limited

Noble Consolidated Glazings Limited was incorporated on May 31, 2007 and received its certificate for commencement of business on July 18, 2007. Its registered office is located at No. 5, Second Link Street, CIT Colony, Mylapore, Chennai 600 004. Noble Consolidated Glazings Limited is engaged in the providing glazing and aluminium fabrication services.

Main Objects of Noble Consolidated Glazings Limited

The main objects of Noble Consolidated Glazings Limited are :

1. To deal and carry on the business of procuring, treating, processing, fixing, installing, glazing materials, of all types used in the buildings, complexes, multiplexes, and all structures of both interiors and exteriors.
2. To deal in all types and kinds of glazing materials and products along with the allied and required accessories by way of trading, selling, buying importing, exporting, assembling, and distributing.

Shareholders as of August 31, 2007

S. No.	Shareholder	Number of shares	Percentage (%)
1.	Consolidated Construction Consortium Limited	49,994	100.00
2.	Mr. R. Sarabeswar	1	0 .00[1]
3.	Mr. S. Sivaramakrishnan	1	0 .00[1]
4.	Mr. V.G. Janarathnam	1	0 .00[1]
5.	Mr. T.R. Seetharaman	1	0 .00[1]
6.	Mr. Arul Anandan	1	0 .00[1]
7.	Mr. B.N. Venkat Ramana	1	0 .00[1]
	TOTAL	**50,000**	**100.00**

1 *Less than 0.01%. Shares being held for the benefit of Consolidated Construction Consortium Limited.*

Directors as of August 31, 2007

The Directors of Noble Consolidated Glazings Limited are Mr. R. Sarabeswar, Mr. S. Sivaramakrishnan, Mr. V.G. Janarthanam and Mr. T.R. Seethraman

Financial performance

No financial statements have been prepared till date for Noble Consolidated Glazings Limited as the company was incorporated in May 31, 2007.

We have been involved in rendering glazing services to various clients by involving third party service providers till date and are in the process of incorporating Noble Consolidated Glazings Limited with the object of rendering the said services in house. In furtherance of the above objective, we have entered into a Memorandum of Understanding dated May 23, 2007 with Mr. M. Ramesh Kumar and Mr. A.S. Jaya Gopi who are partners in the concern M/s Noble Associates which has been engaged in providing glazing services.

Under the MOU, the said Mr. M. Ramesh Kumar and Mr. A.S. Jaya Gopi have agreed to dissolve their partnership firm M/s Noble Glazing and take up full time employment with Noble Consolidated Glazings Limited with effect from May 31, 2007. Mr. M. Ramesh Kumar and Mr. A.S. Jaya Gopi have also agreed to execute a suitable non compete undertaking with our Company.

For further details on the proposed operations of Noble Consolidated Glazings Limited, refer to "Our Business – Noble Consolidated Glazings Limited."

Joint Ventures

Yuga Developers

Yuga Developers was constituted on July 11, 2005 under a deed of partnership entered into between Ambattur Clothing Limited, Yuga Homes Limited and our Company. Yuga Developers has its office at Flat No. A2, First Floor, Sahana Apartments, New No. 6, Old No. 55, Kavinagar Bharathidasan Road, Alwarpet, Chennai 600 018. Yuga Developers has been formed with the object of carrying out the business of developing group housing projects in the Thiruverkadu village, Chennai.

Partners as of August 31, 2007

The Partners of Yuga Developers are as follows:

S.No.	Partner	Share of profit/loss	Amount of contribution
1.	Ambattur Constructions Limited	50%	2,500,000
2.	Yuga Homes Limited	25%	1,250,000
3.	Consolidated Construction Consortium Limited	25%	1,250,000
	Total	**100%**	**5,000,000**

Financial performance

(In Rs. million)

	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2007
Partners Capital	5.00	5.00
Partners Current Account	29.00	33.60
Stock in Trade	33.81	38.37
Cash and Bank Balances	0.16	0.17
Sales and other Income	nil	nil
Net Loss carried to Balance Sheet	nil	nil

No Profit and loss account has been prepared for Yuga Agate as the firm is still to commence the project for which it was constituted.

Yuga Builders

Yuga Builders was constituted on November 30, 2006 under a deed of partnership entered into between Yuga Homes Limited and our Company. Yuga Builders has its office at Flat No. A2, First Floor, Sahana Apartments, New No. 6, Old No. 55, Kavinagar Bharathidasan Road, Alwarpet, Chennai 600 018. Yuga Builders has been formed with the object of carrying out the business of developing group housing projects at a Padi Village, Chennai.

Financial performance

(In Rs. million)

	Fiscal year ended March 31, 2007
Partners Capital	1.00
Partners Current Account	43.00
Stock in Trade	3.63
Cash and Bank Balances	0.36
Sales and other Income	Nil
Net Loss carried to Balance Sheet	Nil

No Profit and loss account has been prepared for Yuga Agate as the firm is still to commence the project for which it was constituted.

Partners as of August 31, 2007

The Partners of Yuga Builders are as follows:

S.No.	Partner	Share of profit/loss	Amount of contribution
1.	Yuga Homes Limited	50%	500,000
2.	Consolidated Construction Consortium Limited	50%	500,000
	Total	**100%**	**1,000,000**

Alliance with Tradeline LLC

We have entered into a memorandum of understanding dated September 18, 2005 with Tradeline LLC. Under the Agreement, we have agreed to jointly carry out engineering and construction activities in the GCC countries.

Under the agreement we have undertaken to be responsible for the execution of projects in the said locations and Tradeline LLC have agreed to facilitate the execution of the same by obtaining local approvals and licenses for such projects. We have also agreed to depute staff to the joint venture entity to develop our business in GCC countries and route all our civil engineering contracts in the United Arab Emirates through the joint venture.

Tradeline LLC have agreed to pay us 15% of their profits from each of the projects being executed through the proposed joint venture in exchange for our above services.

We have rendered services to Innotech Construction Company LLC under the above Agreement. This has generated revenues of Rs. 817,295 in Fiscal 2007.

Material Agreements

Investment agreement with UTI Venture Funds, Evolvence and our Promoters.

Our Company, Promoters and certain of our Promoter Group Individuals have entered into an Investment Agreement dated March 13, 2006 ("Investment Agreement") with UTI Venture Funds and Evolvence (the "Investors").

Certain of the material provisions of this agreement are as follows:

Investment Under the Agreement, the Investors have agreed to subscribe to 2,777,778 (Two Million Seven Hundred Seventy Seven Thousand Seven Hundred Seventy Eight only) Equity Shares, for the consideration of Rs. 360 (Rupees Three Hundred Sixty only) per Share. Simultaneously with the subscription above, the Investors have purchased 555,556 shares from certain of our Promoters and Promoter Group Individuals.

Termination: The Investment Agreement provides that it will stand terminated where (i) the Investors OR the Promoter Group cease to hold at least 10% of the shareholding in the Company after our Company is listed, Provided that any dilution in the shareholding of the Investors due to a merger, acquisition, consolidation, reconstitution, recapitalization, reorganization, amalgamation or other business combination, shall not be taken into account for the purposes of computing the aforesaid shareholding of the Investors. (ii) in the event of certain specified events of default occurring.

Transfer and transmission of shares: Until the later of (i) 12 (twelve) months from the completion of the Offering and the listing of the Equity Shares, or (ii) termination of this Agreement prior to the Closing Date, the Promoters and certain Promoter Group Individuals are prohibited from directly or indirectly transferring shares held by them in the Company to any Person without the express prior written consent of the Investors.

The investors have retained a right to representation on the Board of the Company and have further retained certain information rights in relation to the Company which require us to make periodic disclosures to them.

Arrangement for use of Brand

Samruddhi Holdings and our Company have entered into a revised letter of undertaking dated March 18, 2006 for the use of the name "Consolidated Construction Consortium" in the name of our Company. the same has been further amended by an amendment letter dated August 17, 2007. The agreement permits the formation of our Company in the said name and assigns and transfer all of the rights of Samruddhi Holdings to the brand name in favour of our Company, for its exclusive use, and for use in the construction sector. Samruddhi Holdings has also undertaken to be responsible for conceptualizing and developing certain software required by the Company.

In return for the right to use the above mark, our Company is required to pay Samruddhi Holdings 4% of our audited profit before tax at the end of every financial year subject to a maximum of Rs. 20 million per annum. The above license fee is to accrue or arise upon the expiry of ten years from the date of the Company commencing its business or its cumulative turnover reaching Rs. 10 billion.

For further details on the risk associated with the above arrangement for use of brand, please refer to the Risk Factors "We do not own the CCCL trademark or logo" on page xi.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association we are required to have not less than three directors and not more than twelve directors. We currently have eight directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus:

Name, Father's/Husband's Name, Address, Designation, Occupation and Term	DIN Number	Nationality	Age	Other Directorships/Partnerships
Mr. R. Sarabeswar ***S/o Mr. P. Ramasamy*** 1A, Norton Main Road Mandavelipakkam Chennai 600 028 Chairman and Whole Time Director *Business* Not liable to retire by rotation	00435318	Indian	53	**Companies** 1. Yuga Homes Limited 2. Taurus Plant and Equipment Services Limited 3. Consolidated Interiors Limited 4. CCCL Infrastructure Limited 5. Noble Consolidated Glazings Limited **Partnerships** 6. Samruddhi Holdings 7. Yuga Agate **Trusts** Vimuktha Vidhya Trust
Mr. S. Sivaramakrishnan ***S/o Mr. V S. Subramoni*** No. 27A, Railway Colony Second Street Nelson Manickam Road Chennai 600 029 Managing Director *Business* Not liable to retire by rotation	00431791	Indian	53	**Companies** 1. Yuga Homes Limited 2. Taurus Plant and Equipment Services Limited 3. Consolidated Interiors Limited 4. CCCL Infrastructure Limited 5. Noble Consolidated Glazings Limited **Partnerships** 6. Samruddhi Holdings 7. Yuga Agate **Trusts** Vimuktha Vidhya Trust
Mr. V.G. Janarthanam ***S/o V. Govinda Reddy*** Flat No. 1A, Door No. 22 Tenth Street, M Block Anna Nagar East Chennai 600 102 Whole Time Director *Business* Not liable to retire by rotation	00426422	Indian	51	**Companies** 1. Yuga Homes Limited 2. Taurus Plant and Equipment Services Limited 3. CCCL Infrastructure Limited 4. Noble Consolidated Glazings Limited **Partnerships** 5. Samruddhi Holdings 6. Yuga Agate **Trusts** Vimuktha Vidhya Trust

Name, Father's/Husband's Name, Address, Designation, Occupation and Term	DIN Number	Nationality	Age	Other Directorships/Partnerships
Mr. P. Venkatesh ***S/o Mr. S. Padmanabhachari*** Flat A, No.19, Ceebros Palm, No.6, Police Commissioner Office Road, Egmore, Chennai- 600 008. Independent Director *Business* Liable to retire by rotation	00378947	Indian	44	**Companies** 1. Maveric Systems Limited, Chennai 2. Twinkle Leatherware (India) Private Limited 3. Jeta Systems Private Limited 4. Consolidated Interiors Limited **Partnerships** 5. Aadarsh Properties Inc.
Mr. Krishnamoorthy Kannan ***S/o Melur Veera Rahava Krishnamoorthi*** 576 B, Mahesh Jame Jamshed Road Matunga Mumbai 400 019 Independent Director *Service* Liable to retire by rotation	00001509	Indian	68	**Companies** 1. Kesar Enterprises Limited 2. Advani Hotels and Resorts (India) Limited 3. Advani Pleasure Cruise Company Private Limited 4. Patel Engineering Limited 5. Indo Tech Transformers Limited 6. Avineon India Private Limited 7. Andhra Pradesh State Finance Corporation Limited 8. Prithvi Asset Reconstruction and Securitisation Limited
Mr. Rajakumar K.E.C ***S/o Mr. Ganga Raju Konduru*** No. 96/A, Seventh Cross Second Main, First Block R.M.V. Second Stage Bangalore 560 094 Non Executive Director, Non Independent Director, Nominee Director for UTI Venture Funds *Service* Not liable to retire by rotation	00044539	Indian	44	**Indian Companies** 1. UTI Venture Funds Management Company Private Limited 2. Strand Life Sciences Private Limited 3. Shriram EPC Limited 4. Primus Retail Private Limited **Foreign Companies** 5. UTI Private Equity Advisors Limited, Mauritius 6. Ascent India Limited, Mauritius

Name, Father's/Husband's Name, Address, Designation, Occupation and Term	DIN Number	Nationality	Age	Other Directorships/Partnerships
Mr. Rajesh S.N. ***S/o Saligram Nanjappa Ramarao*** 182, 17th Main 24th Cross, Banashankari Second Stage Bangalore 560 070 Non Executive Director, Non Independent Director, Alternate Director for Mr. Raja Kumar K.E.C *Service* Not liable to retire by rotation	00022369	Indian	36	**Indian Companies** 1. Subex Systems Limited 2. Ramakrishna Forgings Limited 3. Natural Bio Energy Limited 4. HBL Power Systems Limited 5. Excelsoft Technologies Private Limited 6. Laqshya Media Private Limited 7. Primus Brands Private Limited
Mr. P.K. Sridharan ***S/o Pundi Bhashyam Krishnaswamy*** No.5 (Old No.9), 13th Street, Nandanam Extension Post Office Chennai 600 035 Independent Director *Consultant* *(Retired Member Indian Revenue Service)* Liable to retire by rotation	01445336	Indian	61	Nil
Dr. T.S. Vijayaraghavan ***S/o T. Sundara Raghavan*** 'Cauvery' No.81, Valmiki Street, Thiruvanmiyur, Chennai 600 041 Independent Director *Consultant* *(Retired Member Indian Administrative Service)* Liable to retire by rotation	00063728	Indian	66	**Indian Companies** 1. Wheels India Limited 2. Spic Electronics and Semiconductors Limited 3. Natronix Component Limited

Brief Biographies of our Directors

Mr. R. Sarabeswar is our Promoter, Chairman and Chief Executive Officer. He was a gold medallist and graduated with a bachelor's degree in civil engineering from the Regional Engineering College, Trichy and holds a Management Degree in strategy from London University. Mr. Sarabeswar has over 30 years of experience in the construction sector and has previously worked for Larsen and Toubro Limited, SPIC, SMO division and the Shobhakshi Group, Saudi Arabia. In 2007, he was awarded the best alumnus award by the Regional Engineering College, Thiruchirapalli. He has been associated with our Company since inception and is currently responsible for overall management of our Company.

Mr. S. Sivaramakrishnan is our Promoter and Managing Director. He has bachelor's degree in civil engineering from the Coimbatore Institute of Technology, University of Madras, was a gold medallist and holds a post graduate degree in structural engineering from College of Engineering Guindy, Chennai and holds a Masters Degree in Business Administration from the University of Madras. He has over 30 years of experience in the construction sector and has served as Engineer with the ECC division of Larsen and Toubro Limited and the Design Department of SPIC Limited. He has been associated with our Company since inception and is currently responsible for the overall administration of our Company.

Mr. V.G. Janarthanam, is our Promoter and Director (Operations). He holds a degree in civil engineering from University of Madras. He has served as manager with Larsen and Toubro Limited and has over 15 years of experience in the construction sector with special emphasis on tendering and contract management. He has been associated with our Company since inception and is currently responsible for heading our operations.

Mr. P. Venkatesh is an Independent Director on our Board. He has a Bachelor's Degree in Commerce from the University of Madras, and is a qualified Chartered Accountant. He served as a Manager at A.F. Ferguson and Co. He has over 20 years of experience in the fields of finance and management.

Mr. K. Kannan, is an Independent Director on our Board. He has a bachelor's degree in commerce from University of Madras and is an Associate member of the Institute of Cost and Works Accountants of India and the All India Council of Works Accountants. He has over three decades of experience in the banking and finance sector and has served as the chairman and managing director of the Bank of Baroda. He has been associated with our Company since 2004.

Mr. K.E.C. Rajakumar is a Director on our Board and a representative for UTI Venture Funds. He has a Bachelor's Degree in Science, a Masters Degree in Science, and a Master of Philosophy in Science from Sri Venkateswara University. He is also a graduate of the Advance Management Programme program of the Harvard Business School, Boston, USA. He has over 7 years of experience in the venture capital and private equity sector and is currently the managing director and chief executive officer of UTI Venture Funds, a firm he founded in the year 2000. Prior to joining UTI Venture Funds, he was the Regional Manager of the SEBI. At SEBI, he managed the Southern Region office of SEBI and was responsible for overseeing several public offerings of securities and regulation of market intermediaries. He was an active member of several advisory committees of SEBI. He also served as a director of five Indian stock exchanges, as an executive director of UTI Asset Management Company Private Limited. He has also served as a senior officer with the Indian Civil Services. He is a charter member of TiE (The Indus Entrepreneurs), a global non for profit organization for advancement of entrepreneurship. He has been associated with our Company since 2006.

Mr. P.K. Sridharan is an Independent Director on our Board. He has a Masters Degree in Mathematics from the University of Madras, a Diplome Destudes Superiures Specializes in tax administration from Paris IX University and a Diploma in Public Administration from the International Institute of Public Administration, Paris. He is a retired member of the Indian Revenue Service and has over 35 years of experience in the fields of taxation, administration and management.

Dr. T.S. Vijayaraghavan is an Independent Director on our Board, he has a Bachelor's Degree in mechanical engineering from the University of Madras, a Bachelor's degree in Mechanical and Electrical Engineering from Anna University, and is a Fellow member of the Institute of Telecommunications and Electronics Engineering (India) and holds a Diploma in Metallurgy from Tata Iron and Steel Company, Jamshedpur. He has been awarded a doctorate, *Honoris Causa from* Anna University. He is a retired member of the Indian Administrative Services and has over 40 years of experience in varied fields including Administration, Planning and Management. He is a Chairman, Committee on Industry, Ministry of Environment & Forests. He is a currently a member of the Board for Reconstruction of Public Enterprises, Govt. of India.

Mr. S. N. Rajesh holds a Bachelor of Technology (Hons.) degree from Indian Institute of Technology, Kharagpur and has a Post Graduate Diploma in Business Administration from Xavier's Labour Relations Institute, Jamshedpur. Mr. S N Rajesh is currently director, private equity at UTI Venture Funds. Mr. Rajesh has been with UTI Venture Funds since its inception and has played an active part in identification and evaluation of investment opportunities, due diligence and transaction structuring for investments committed by UTI Venture Funds. Mr. Rajesh represents UTI Venture Funds on the boards of portfolio companies. Mr. S. N. Rajesh has been associated with our Company since 2006.

Borrowing powers of the Board

Our Articles, subject to the provisions of the Act authorise our Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Our Members, have pursuant to a resolution passed at the February 12, 2007 authorised our Board to borrow monies together with monies already borrowed by us and outstanding exclusive of interest and charges, an amount of up to Rs. 5 billion in excess of the aggregate of the paid up capital of the Company and its free reserves.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We have complied with the corporate governance code in accordance with Clause 49 (as applicable), especially in relation to broad basing of our board, constitution of committees. The Company undertakes to take all necessary steps to comply with all the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Currently our board has 8 Directors, of which the Chairman of the Board is an executive Director, and in compliance with the requirements of Clause 49 of the Listing Agreement, we have 3 executive Directors and 4 independent directors and 1 director who is a nominee for UTI Venture Funds on our Board.

Audit Committee

The Audit Committee was reconstituted by our Directors at their Board meeting held on May 17, 2007. The audit committee consists of Mr. P. Venkatesh (Chairman), Mr. K. Kannan, Mr. Raja Kumar K.E.C and Mr. P.K. Sridharan.

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

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending to the Board regarding the appointment, re-appointment and, if required, the replacement or removal of statutory auditor and the fixation of audit fees.

c) Approval of payment to statutory auditors for any other services rendered by statutory auditors.

d) Reviewing, with the management, the annual financial statements before submission to the Board of Directors for approval, with particular reference to:

    a. Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.

    b. Changes, if any, in accounting policies and practices and reasons for the same.

    c. Major accounting entries involving estimates based on the exercise of judgment by management.

    d. Significant adjustments made in the financial statements arising out of audit findings.

    e. Compliance with listing and other legal requirements relating to financial statements.

    f. Disclosure of any related party transactions.

    g. Qualifications in the draft audit report.

e) Reviewing, with the management, the quarterly financial statements before submission to the Board of Directors for approval.

f) Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control system.

g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

h) Discussion with internal auditors any significant findings and follow up thereon.

i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

j) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of no-payment of declared dividends) and creditors.

l) To review the functioning of the Whistle Blower mechanism, in case the same is existing; and

m) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Compensation Committee

The Compensation Committee was constituted by our Directors at their Board meeting held on May 17, 2007. The compensation committee consists of Mr. K. Kannan (Chairman), Mr. P. Venkatesh, and Mr. P.K. Sridharan.

The terms of reference of the Compensation Committee are to supervise the administration of the Company's employee stock option advisory committee and determine and oversee:

a) The options to be granted – the quantum, date of grant and the criteria and eligibility for the grant of options;

b) Fixing the exercise price for options under our ESOP Scheme;

c) Terms and conditions for vesting and exercise of options including the exercise of option on termination and resignation by Eligible Employee and the treatment of unvested options thereto;

d) Exercise period and conditions for lapse of vested options;

e) Adjustments of Options and exercise price in case of corporate actions including, rights issues, bonus issues, merger, etc.;

f) All other relevant and appropriate procedures for the granting, vesting and exercising of Options and ensuring compliance with all the relevant provisions of applicable laws, regulations and guidelines; and

g) Such other acts and deeds as may be deemed necessary in connection with the administration of the CCCL ESOS in accordance with the terms of reference, direction, guidance as may be provided by the Board of Directors from time to time and in accordance with the SEBI Guidelines;

h) The directorial remuneration policies of our Company;

i) Such other matters as may be required from time to time by any statutory, contractual and other regulatory requirements.

Investor Grievance Committee

The Investor Grievance was constituted by our Directors at their Board meeting held on May 17, 2007. The Investor Grievance committee consists of Mr. P. Venkatesh (Chairman), Mr. R. Sarabeswar, Mr. T.S. Vijaraghavan and Mr. P.K. Sridharan.

The terms of reference of the Investor Grievance Committee are to specifically look into the redressal of shareholder and investors complaints including issues pertaining to transfer of shares, non-receipt of balance sheet, non receipt of dividend declarations etc. that may arise during the course of or pursuant to the proposed public offer by the Company and that the said Committee shall assume such other responsibilities and powers as may be necessary in accordance with applicable laws and terms of reference provided by the Board of Directors from time to time.

Shareholding of our Directors in the Company

S. No.	Name	Number of Equity Shares Held Pre Issue	Percentage (%)	Number of Equity Shares Held Post Issue	Percentage (%)
1.	Mr. R. Sarabeswar	1,646,005	4.95	1,646,005	4.45
2.	Mr. Sivaramakrishnan S.	1,656,580	4.98	1,656,580	4.48
3.	Mr. Janarthanam V.G	956,218	2.88	956,218	2.59
4.	Mr. Venkatesh P.	10	0.00[á]	10	0.00[á]

á : Less than 0.01%.

Interests of Directors

All of our Directors 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 and reimbursement of expenses, if any, payable to them under our Articles of Association, and to the extent of remuneration, if any, paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Mr. R. Sarabeswar, Mr. Sivaramakrishnan S and Mr. Janarthanam V.G. are entitled to receive remuneration from us.

Except as stated in the section titled "Related Party Transactions" on page 130, and to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors and Promoter have no interest in any property acquired by our Company within two years of the date of this Red Herring Prospectus.

None of our Directors are related to each other or to the Promoters. For details of relationships between our promoters, see "Our Promoters" on page 122.

Guarantees given by our Promoter

One of our Promoters has given certain personal guarantees in relation to any of the debt obligations of our Company. For further details of the same refer to "Financial Indebtedness" on page 181 and "Risk Factors" on page xi.

Remuneration of our Directors

(i) Agreement for appointment of Whole Time Director dated May 2, 2007 (the "Agreement") between the Company and Mr. R. Sarabeswar.

Mr. Sarabeswar was appointed as Whole Time Director designated as Chairman and CEO of the Company with effect from April 1, 2007 for a period of 5 years by the shareholders in their meeting of April 16, 2007. Under the terms of the above resolution and the agreement entered into between Mr. R. Sarabeswar and the Company on May 2, 2007 , the following compensation is payable to Mr. R. Sarabeswar.

Head	Compensation
Salary	Rs.1,460,000 per month including daily allowance and all other allowances, but exclusive of perquisites
Commission	At the rate of 1% on the net profits of the Company, subject to provisions of Section 198 of the Companies Act.

Head	Compensation
Perquisites	1. Housing : 1. The expenditure incurred by the Company on hiring unfurnished accommodation for each of them will be subject to a ceiling of 10% of the salary over and above the 10% payable by the Managerial Personnel. 2. The expenditure incurred by the Company on gas, electricity and water will be evaluated as per Income Tax Rules, 1962. 3. Perquisites in the form of furniture, furnishings and other utilities in accordance with the rules of the Company, the value of which will be evaluated as per Income Tax Rules, 1962. 4. Wherever the Company does not provide accommodation, House rent allowance may be paid in accordance with (i) above. 5. Where accommodation in a Company owned house is provided, the Company will charge 10% of his salary by way of rent. 2. Medical reimbursement : Expenses incurred for self and family including premium payable for medical insurance in accordance with the rules of the Company 3. Personal accident insurance as per the rules of the Company. 4. Leave Travel Assistance for the self and family once in a year in accordance with the rules of the Company. 5. Encashment of leave at the end of the tenure. 6. Contribution to provident fund, Super Annuation Fund and payment of gratuity as per the rules of the Company. 7. Fees for clubs, subject to a maximum of two clubs excluding admission and life membership fees. 8. Provision of car (s) with driver for Company Business, the value of which will be evaluated as per the Income Tax Rules, 1962. 9. Provision of Telephone (s) and other means of communication at the residence of the Director. 10. Such other perquisites, benefits and amenities as may be provided by the Company to other senior management executives from time to time. The above said remuneration and perquisites shall be subject to the ceiling laid down in Section 198, 309, Schedule XIII of the Companies Act, 1956 and all the other applicable provisions of the said Act as may be amended from time to time.

(ii) Agreement for appointment of Whole Time Director dated May 2, 2007 (the "Agreement") between the Company and Mr. S. Sivaramakrishnan.

Mr. Sivaramakrishnan was appointed as Whole Time Director designated as Managing Director of the Company with effect from April 1, 2007 for a period of 5 years by the shareholders in their meeting of April 16, 2007. Under the terms of the above resolution and the agreement entered into between Mr. S. Sivaramakrishnan and the Company on May 2, 2007, the following compensation is payable to Mr. Sivaramakrishnan.

Head	Compensation
Salary	Rs.1,260,000 per month including D.A and all other allowances, but exclusive of perquisites
Commission	At the rate of 1% on the net profits of the Company, subject to provisions of Section 198 of the Companies Act.
Perquisites	Housing : 1. The expenditure incurred by the Company on hiring unfurnished accommodation for each of them will be subject to a ceiling of 10% of the salary over above the 10% payable by the Managerial Personnel. 2. The expenditure incurred by the Company on gas, electricity and water will be evaluated as per Income Tax Rules, 1962. 3. Perquisites in the form of furniture, furnishings and other utilities in accordance with the rules of the Company, the value of which will be evaluated as per Income Tax Rules, 1962. 4. Wherever the Company does not provide accommodation, House rent allowance may be paid in accordance with (i) above. 5. Where accommodation in a Company owned house is provided, the Company will charge 10% of his salary by way of rent. Medical reimbursement : Expenses incurred for self and family including premium payable for medical insurance in accordance with the rules of the Company: Explanation: Family means the spouse, dependant children and dependant parents of the appointee. Personal accident insurance as per the rules of the Company. Leave Travel Assistance for the self and family once in a year in accordance with the rules of the Company. Encashment of leave at the end of the tenure. Contribution to provident fund, Super Annuation Fund and payment of gratuity as per the rules of the Company. Fees for clubs, subject to a maximum of two clubs excluding admission and life membership fees. Provision of car (s) with driver for Company Business, the value of which will be evaluated as per the Income Tax Rules, 1962. Provision of Telephone (s) and other means of communication at the residence of the Director. Such other perquisites, benefits and amenities as may be provided by the Company to other senior management executives from time to time. The above said remuneration and perquisites shall be subject to the ceiling laid down in Section 198, 309, Schedule XIII of the Companies Act, 1956 and all the other applicable provisions of the said Act as may be amended from time to time.

(iii) Agreement for appointment of Whole Time Director dated May 2, 2007 (the "Agreement") between the Company and Mr. V. G Janarthanam

Mr. Janarthanam is appointed as Whole Time Director designated as Director (Operations) of the Company with effect from

April 1, 2007 for a period of 5 years by the shareholders in their meeting of April 16, 2007. Under the terms of the above resolution and the agreement entered into between Mr. Janarthanam and the Company on May 2, 2007, the following compensation is payable to Mr. Janarthanam.

Head	Compensation
Salary	Rs.740,000 per month including D.A and all other allowances, but exclusive of perquisites
Commission	At the rate of 1% on the net profits of the Company, subject to provisions of Section 198 of the Companies Act.
Perquisites	Housing : 1. The expenditure incurred by the Company on hiring unfurnished accommodation for each of them will be subject to a ceiling of 10% of the salary over and above the 10% payable by the Managerial Personnel. 2. The expenditure incurred by the Company on gas, electricity and water will be evaluated as per Income Tax Rules, 1962. 3. Perquisites in the form of furniture, furnishings and other utilities in accordance with the rules of the Company, the value of which will be evaluated as per Income Tax Rules, 1962. 4. Wherever the Company does not provide accommodation, House rent allowance may be paid in accordance with (i) above. 5. Where accommodation in a Company owned house is provided, the Company will charge 10% of his salary by way of rent. Medical reimbursement : Expenses incurred for self and family including premium payable for medical insurance in accordance with the rules of the Company: Explanation: Family means the spouse, dependant children and dependant parents of the appointee. Personal accident insurance as per the rules of the Company. Leave Travel Assistance for the self and family once in a year in accordance with the rules of the Company. Encashment of leave at the end of the tenure. Contribution to provident fund, Super Annuation Fund and payment of gratuity as per the rules of the Company. Fees for clubs, subject to a maximum of two clubs excluding admission and life membership fees. Provision of car (s) with driver for Company Business, the value of which will be evaluated as per the Income Tax Rules, 1962. Provision of Telephone (s) and other means of communication at the residence of the Director. Such other perquisites, benefits and amenities as may be provided by the Company to other senior management executives from time to time. The above said remuneration and perquisites shall be subject to the ceiling laid down in Section 198, 309, Schedule XIII of the Companies Act, 1956 and all the other applicable provisions of the said Act as may be amended from time to time.

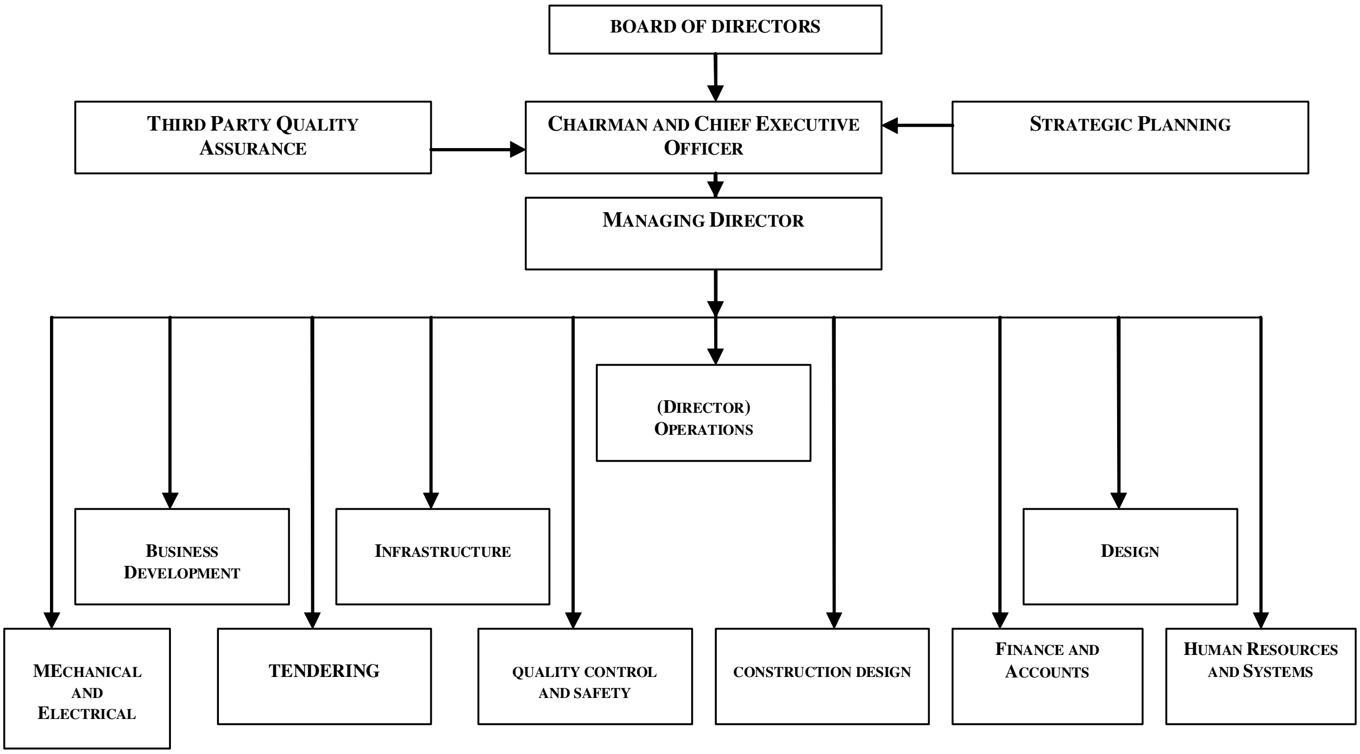
The aforesaid agreements further provides for the following compensation in the event of a loss of office or termination before the end of the tenure of the Executive Director.

1. In the event of termination before the tenure, the Company shall pay to the Executive Director by way of compensation for loss of office, or as consideration for retirement from office, or in connection with such other loss or retirement, the remuneration that he would have earned if he had been in office for the unexpired period of his term or three years, whichever is less.
2. The remuneration for this basis will be calculated on the basis of the average remuneration actually earned by him during a period of three years immediately preceding the date on which he ceases to hold office, or where he held the office for a period lesser than three years, for such period.

Changes in Our Board of Directors during the last three years

Name	Date of Appointment	Date of Change	Reason for Change
Mr. Rajakumar K.E.C	March 31, 2006	-	Appointed as nominee director by UTI Venture Funds
Mr. Rajesh S.N	March 31, 2006	-	Appointed as Alternate Director to Mr. Rajakumar K.E.C
Mr. Jay V. Jegannathan	March 31, 2006	-	Appointed as Nominee Director by Evolvence
Mr. Paresh Thakker	March 31, 2006	-	Appointed as Alternate Director to Mr. Jay V. Jegannathan
Mr. P.K. Sridharan	April 16, 2007	-	Appointed as an independent director on our Board
Dr. T.S. Vijayaraghavan	April 16, 2007	-	Appointed as an independent director on our Board
Mr. Jay V. Jegannathan	-	May 15, 2007	Resigned as a director
Mr. Paresh Thakker	-	May 15, 2007	Resigned as a director

Managerial Organizational Structure



Key Managerial Personnel

The details regarding our key managerial personnel are as follows:

Mr. T.R. Seetharaman, 48 years, Chief Financial Officer, holds a Bachelor's Degree in Commerce from University of Madras and is a member of the Institute of Chartered Accountants of India. Prior to founding our Company in 1997, he worked with Larsen and Toubro's ECC division as manager. He has over 23 years of experience in the field of finance, engineering and construction. He heads the finance function in our Company. The remuneration paid to him for the Fiscal year 2007 was Rs. 1,668,010.

Mr. K. Sukumar, 52 years, Joint General Manager, Human Resources and Systems, holds a Bachelor's Degree in Technology from the Indian Institute of Technology, Madras and a Post Graduate Degree in Business from the Indian Institute of Management, Bangalore. Prior to joining our Company in 2001, he worked with Mahindra Construction Company Limited as Deputy General Manager. He has about 28 years of experience in the field of civil engineering and systems. He heads the human resources and systems functions in our Company. The remuneration paid to him for Fiscal 2007 was Rs.801,034.

Mr. B. Kishore Kumar, 36 years, Regional Sector Head, holds a Bachelor's Degree in Civil Engineering from Madurai Kamaraj University and a Master's in Business Administration from Madurai Kamaraj University. Prior to joining our Company in 1998, he was teaching at the RVS College of Engineering, Dindigul. He has over 15 years of experience in the field of tendering, planning and execution. The remuneration paid to him for Fiscal 2007 was Rs. 665,006.

Mr. E. Viswanathan, 52 years, Head – Mechanical & Electrical Division assistant holds a Bachelor's Degree in Electrical and Electronics Engineering from Regional Engineering College, Trichy. Prior to joining our Company in 2006, he worked with Philips India Limited as General Manager Projects. He has over 25 years of experience in the field of engineered systems and the planning and execution of lightning and communication systems. The remuneration paid to him for part of the Fiscal 2007 was Rs. 802,384.

Mr. K. Mahadevan, 53 years, Head of Uga Design, our software design division, holds a Bachelor's Degree in Technology and Masters Degree in Structures from the Indian Institute of Technology, Madras. Prior to joining our Company in 2004, he worked with Larsen & Toubro as Design Engineer. He has over 25 years of experience in the field of Design. The remuneration paid to him for the Fiscal 2007 was Rs. 818,784.

Mr. Namakodi Narayanan, 51 years, Assistant General Manager (Safety and Quality Control), holds a Diploma in Mechanical Engineering from Directorate of Technical Education. Prior to joining our Company in 2004, he worked with Bharat Heavy Electricals Limited as Safety Officer. He has over 25 years of experience in the field of occupational and environmental safety in areas ranging from engineering design to petroleum platforms, and ship building. He heads the Quality Control and Safety functions of our Company. The remuneration paid to him for the Fiscal 2007 was Rs. 668,810.

Mr. R. Ganesh, 54 years, Senior Deputy General Manager, holds a Bachelor's Degree in Civil Engineering from Annamalai University. Prior to joining our Company in 2001, he worked with Voltas International Limited as project coordinator. He has over 25 years of experience in the field of construction operation & turnkey projects. The remuneration paid to him for the Fiscal 2007 was Rs. 1,045,150.

Mr. R. Kabiladoss, 47 years, Assistant General Manager (Finance and Accounts), holds a Bachelor's Degree in Commerce from University of Madras and is a qualified Chartered Accountant. Prior to joining our Company in 2002, he worked with Jonas Wood Head and Sons India Limited as Accounts Manager. He has over 20 years of experience in the field of finance, accounts, audit and sales tax and income tax compliance. He heads the internal audit functions of our Company. The remuneration paid to him for the Fiscal 2007 was Rs. 509,040.

Mr. R. Sundararaman, 42 years, Senior Manager (Design), holds a Bachelor's Degree in Engineering from Karnataka University. Prior to joining our Company in 1998, he worked with K. Subramania Associates as Site Engineer. He has over twenty years of experience in the field of engineering designs for multi storied buildings, heavy machine foundations, water retaining structures etc. He heads the design function in our Company. The remuneration paid to him for Fiscal 2007 was Rs. 462,500.

Mr. S. Kaushik Ram, 25 years, Business Strategist, holds a Bachelor's Degree in Engineering from the University of Madras and a Master's Degree in Business Administration from Ohio University He joined our Company in 2006. The remuneration paid to him for Fiscal 2007 was Rs. 692,564.

Mr. V. Swaminathan, 54 years, Head, Supply Chain Management, holds a Bachelor's Degree in Mechanical Engineering from the Regional Engineering College, Trichy. Prior to joining our Company in 2004, he worked with Kudremukh Iron Ore Company Limited as Manager and the Natesan Group Companies as Director. He has over 25 years of experience in the field of Project Monitoring, Purchase Material Management, Design Maintenance and Materials Handling. The remuneration paid to him for Fiscal 2007 was Rs. 757,384.

Mr. G. Viswanathan, 42 years, Deputy General Manager, Finance, holds a Bachelor's Degree in Commerce from University of Madras, and is a member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India. Prior to joining our Company in July 2006, he worked with the Newworld Group as Group Financial Controller. He has over 19 years of experience in different fields. He is responsible for the finance functions of our Company. The remuneration paid to him for part of the Fiscal year 2007 was Rs. 534,016.

All our Key Managerial Personnel are permanent employees of our Company and none of our Directors and our Key Managerial Personnel are related to each other except for Mr. Kaushik Ram S, who is the son of Mr. R. Sarabeswar, our Chairman and Chief Executive Officer. Except as disclosed above, none of our key managerial personnel or directors are related to each other.

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel hold Equity Shares except as disclosed below:

Name of the Key Managerial Person	Number of Shares Held
Mr. T.R. Seetharaman	192,628

Bonus or profit sharing plan of the Key Managerial Personnel

There is no bonus or profit sharing plan for our Key Managerial Personnel.

Interest of Key Managerial Personnel

Our Key Managerial Personnel do not have any interest in the Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company and, in the case of Mr. T. R. Seetharaman, his interest in the Company as its founder and Promoter.

One of our Key Managerial Personnel, Mr. Kaushik Ram S. is the son of Mr. R. Sarabeswar, our Chairman and Chief Executive Officer.

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

Changes in the Key Managerial Personnel

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

Name of the Key Managerial Person	Date of Joining	Date of Leaving	Reason for change
Mr. Kaushik Ram S.	February 2, 2006	-	Appointment
Mr. G. Viswanathan	July 14, 2006	-	Appointment
Mr. E. Viswanathan	August 19, 2006	-	Appointment

OUR PROMOTERS

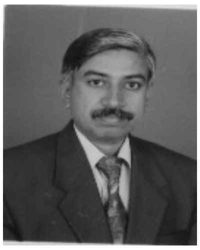
Mr. R. Sarabeswar

His passport number is Z078870

His voter's identification card No. is LWN2801082

His driver's license number is R/TN/007/11452/2004

For a brief profile of our Promoter, refer to "Our Management" on page 108



Mr. S. Sivaramakrishnan

His passport number is B5877976

His voter's identification card No. is TN/02/008/0304026

His driver's license number is R/TN/002/001/225/2005

For a brief profile of our Promoter, refer to "Our Management" on page 108

Mr. V.G. Janarthanam

His passport number is F3838485

His voter's identification card No. is TN/01/018/0727006

His driver's license number is R/TN/002/010932/2006

For a brief profile of our Promoter, refer to "Our Management" on page 108

Mr. T.R. Seetharaman

His passport number is E9659464

His voter's identification card No. is JCH7913825

His driver's license number is R/TN/001/002976/1999

For a brief profile of our Promoter, refer to "Our Management" on page 108

Ms. Usha Sarabeswar

Her voter's identification card No. is LWN2796936

Her Passport Number is F7260774.

She does not hold a driving license

Mrs. Usha Sarabeswar has been associated with our Company since its inception. She has worked as a general insurance consultant and agent.

Ms. R. Girija

She does not hold a passport.

Her voter's identification card No. is TN/02/008/0304027

She does not hold a driving license

Mrs R. Girija has been associated with our Company since its inception. She received a bachelor's degree in mathematics from the University of Kerala. She worked with the State Bank of Travancore for over 12 years and has been engaged in various social causes including the upliftment of poor children.

We confirm that the Permanent Account Numbers, Bank Account Numbers and Passport Numbers of our Promoter have been submitted to the NSE and BSE at the time of filing the Draft Red Herring Prospectus with them.

Promoter Group

Promoter Group Individuals

Relatives of the Promoters that form part of the Promoter Group under Clause 6.8.3.2(m), Explanation II of the SEBI Guidelines

Promoter	Name of the Relative	Relationship	Shareholding
Mr. R. Sarabeswar	Ms. Sharada	Mother in Law	Nil
	Mr. R. Balakumar	Brother	Nil
	Mr. R. Durgadoss	Brother	50,010
	Ms. Usha Sarabeswar	Wife	6,851,957
	Ms. Jayalakshmi	Mother	Nil
	Mr. Kaushik Ram S.	Son	Nil
Ms. Usha Sarabeswar	Mr. R. Sarabeswar	Husband	1,646,005
	Ms. Jayalakshmi	Mother in law	Nil
	Mr. R. Balakumar	Brother in Law	Nil
	Mr. R. Durgadoss	Brother in Law	50,010
	Mr. Kaushik Ram	Son	NIL
Mr. S. Sivaramakrishnan	Ms. Lakshmi Subramoni	Mother	24,000
	Ms. Letha	Sister	22,250
	Ms. Pushpa	Sister	Nil
	Ms. R. Girija	Wife	6,309,872
	Mr. Ramaiyer Renganathan	Father in Law	Nil
	Ms. Meenakshi	Mother in Law	Nil
	Mr. Renganathan Ramamoorthy	Brother in law	22,400
	Ms. Archana Sivaramakrishnan	Daughter	NIL
	Ms. Anjana Sivaramakrishnan	Daughter	NIL

Promoter	Name of the Relative	Relationship	Shareholding
Ms. R. Girija	Ms. Meenakshi	Mother	NIL
	Mr. Ramaiyer Renganathan	Father	NIL
	Mr. S. Sivaramakrishnan	Husband	1,656,580
	Mr. Renganathan Ramamoorthy	Brother	22,400
	Ms. Letha	Sister in law	22,250
	Ms. Pushpa	Sister in law	Nil
	Ms. Archana Sivaramakrishnan	Daughter	Nil
	Ms. Anjana Sivaramakrishnan	Daughter	Nil
Mr. V.G. Janarthanam	Ms. Saraswathi	Mother	NIL
	Mr. G.N. Reddy	Brother	NIL
	Ms. Hemalatha	Sister	NIL
	Ms. Padmavathy J.	Wife	424,860
	Mr. K. Sundararam	Father in Law	57,500
	Ms. Priyamvada	Mother in law	112,500
	Mr. K. Dharanidhar	Brother in Law	49,500
	Mr. K. Rajagopal	Brother in Law	49,500
	Ms. K. Shobhana	Sister in Law	32,500
	Ms. Vidya Janarthanam	Daughter	NIL
Mr. T.R. Seetharaman	Ms. Rama Boi	Mother	NIL
	Ms. Anandhi Seetharaman	Wife	132,470
	Mr. Sethu Boi	Sister	NIL
	Mr. Krishna Boi	Sister	NIL
	Ms. Kalavathy Boi	Sister	NIL
	Ms. Savithri	Sister	NIL
	Ms. V. Prema	Mother in Law	NIL
	Mr. V. Ravikumar	Brother in Law	NIL
	Mr. V. Chandramouli	Brother in Law	NIL
	Ms. V. Sandhya Devi	Sister in Law	NIL
	Ms. V. Usha Devi	Sister in Law	NIL
	Mr. Kaalicharan S. Goswami	Son	NIL
	Ms. Sudhathi S. Goswami	Daughter	NIL

Promoter Group Entities

Companies promoted by our Promoters and forming part of our Promoter Group under Clause 6.8.3.2(m), Explanation II of the SEBI Guidelines

Yuga Homes Limited

Yuga Homes Limited was incorporated on January 23, 2004 and has its registered office at Flat No. A2, First Floor, Sahana Apartments, K. B. Road, Alwarpet, Chennai 600 018. Yuga Homes Limited is engaged in the business of real estate development and construction.

Shareholders as of August 31, 2007

The shareholding pattern of equity shares of Yuga Homes Limited is as follows:

S.No.	Shareholder	Number of shares	Percentage (%)
1	Samruddhi Holdings	2,529,230	90.29
2	Mr. R Sarabeswar	25,000	0.89
3	Mr. Sivaramakrishnan S.	25,000	0.89
4	Mr. V.G. Janarathnam	25,000	0.89
5	Mr. R. Durgadoss	25,000	0.89
6	Ms. R. Girija	25,000	0.89
7	Ms. Gowri Durgadoss	25,000	0.89
8	Ms. Priyanka D	25,000	0.89
9	Ms. Jyothsna D.	25,000	0.89
10	Ms. Padmavathy J	25,000	0.89
11	Ms. Usha Sarabeswar	25,000	0.89
12	Mr. X. Arulanandan	7,000	0.25
13	Mr. T.R. Seetharaman	5,000	0.18
14	Ms. Lakshmi Subramoni	5,000	0.18
15	Mr. Vishwanathan R.	5,000	0.18
	TOTAL	**2,801,230**	**100.00**

Directors as of August 31, 2007

The board of directors of Yuga Homes Limited comprises of Mr. R. Sarabeswar, Mr. S. Sivaramakrishnan, Mr. V.G. Janarthanam and Mr.Vishwanathan R.

Financial performance

(In Rs.)

	March 31, 2007	March 31, 2006	March 31, 2005
Operating income and other income[1]	50,316,014	55,879,754	3,405,433
Profit/Loss after tax	5,665,159	1,502,861	790,693
Reserves and Surplus	2,932,624	1,100,388	322,709
Equity capital (par value Rs. 10)	28,012,300	28,012,300	8,362,300
Earnings per share (Rs)	2.02	1.77	0.95
Book value per share	15.16	10.33	10.11

1 *Inclusive of increase or decrease in work in progress*

The operating income and other income has remained at the same level as compared to Fiscal 2006. However, during Fiscal 2007, we have completed a prestigious project in Chennai city and due to the increasing cost of land and construction, there have been better realisation for the project which is reflected in the improved profitability after tax.

The increase in income of Yuga Homes Limited from Fiscal 2005 to Fiscal 2006 have arisen primarily as a result of income generated from the development of projects in Chennai. The increase in equity capital is as a result of capital infusion made by the promoters of Yuga Homes Limited for the purposes of funding the development of new projects.

Non Compete Agreements with Samruddhi Holdings and Yuga Homes Limited dated May 25, 2007 are valid in perpetuity unless the combined shareholding of 4 of the Promoters i.e. Mr. R. Sarabeswar, Mr. S.Sivaramakrishnan, Mr. V.G. Janarthanam and Mr. T.R. Seetharaman falls below 3% of the paid up capital of the Company.

Taurus Plant and Equipment Services Limited

Taurus Plant and Equipment Services Limited was incorporated on March 30, 2005 and has its registered office at 13, West Sivan Kovil Street, Vadapalani, Chennai 600 026. Taurus Plant and Equipment Services Private Limited was incorporated with the object of providing Equipment hiring and leasing services and is currently not carrying out any operations.

Shareholders as of August 31, 2007

The shareholding pattern of equity shares of Taurus Plant and Equipment Services Limited is as follows:

S.No.	Shareholder	Number of shares	Percentage (%)
a)	Samruddhi Holdings	52,993	100.00
b)	Mr. R. Sarabeswar	1	0.00 [1]
c)	Mr. Sivaramakrishnan S	1	0.00 [1]
d)	Mr. Janarthanam V G	1	0.00 [1]
e)	Mr. Seetharaman T R	1	0.00 [1]
f)	Mr. Venkatesh P	1	0.00 [1]
g)	Mr. X. Arulanandan	1	0.00 [1]
h)	Mr. Viswanathan R	1	0.00 [1]
	TOTAL	**53,000**	**100.00**

1 *Less than 0.01%*

Directors as of August 31, 2007

The board of directors of Taurus Plant and Equipment Services Limited comprises of Mr. R. Sarabeswar, Mr. S. Sivaramakrishnan, Mr. V.G. Janarthanam and Mr. T.R. Seetharaman.

Financial performance

(In Rupees)

	March 31, 2006
Other income	Nil
Profit/Loss after tax	Nil
Reserves and Surplus	Nil
Equity capital (par value Rs. 10)	530,000
Earnings per share (Rs)	Nil
Book value per share	7.32

As there is no income accrued and no billing to the customers for the period ended March 31, 2006, income has not been recognized in the books of accounts and consequently no Profit and Loss account has been prepared for Taurus Plant and Equipment Services Limited.

Partnerships

Samruddhi Holdings

Samruddhi Holdings is a partnership firm constituted on May 31, 1997 and has its office at No. 26/27/28, Vembuli Amman Koil Street, West K.K. Nagar, Chennai 600 078. Samruddhi Holdings has been formed with the object of creating a unique brand names, designs, emblems and logos including a brand name under the name and style of "Consolidated Construction Consortium" and "Yuga". The partnership is also intended to carry out the businesses of project management in India and abroad, software development and maintenance and carry out strategic investments in entities or companies promoted by its partners.

Partners as of August 31, 2007

The Partners of Samruddhi Holdings are as follows:

S.No.	Partner	Share of profit/loss (%)	Amount of contribution in Rs.
1.	Mr. R. Sarabeswar	39	4,000
2.	Mr. S. Sivaramakrishnan	36	4,000
3.	Mr. V.G. Janarthanam	15	1,000
4.	Mr. T.R. Seetharaman	10	1,000
	Total	**100**	**10,000**

Financial performance

	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2006
Sales and other income (in Rs million)	Nil	Nil	33.89
Net Loss carried to balance Sheet (in Rs million)	Nil	Nil	Nil
Partners Capital (in Rs.)	10,000	10,000	10,000

Samruddhi Holdings and our Company have entered into a revised letter of undertaking dated March 18, 2006 for the use of the name "Consolidated Construction Consortium" in the name of our Company. For more detail on the above arrangement refer to "History and Certain Corporate Matters – Material Agreements – Arrangements for use of Brand"

We have entered into an agreements with Samruddhi Holdings under which Samruddhi Holdings has agreed not to engage in the same line of business as our Company. This Non Compete Agreement is valid in perpetuity unless the combined shareholding of the 4 of the Promoters i.e. Mr. R.Sarabeswar, Mr. S.Sivaramakrishnan, Mr. V.G. Janarthanam and Mr. T.R Seetharaman falls below 3% of the paid up capital of the Company.

Yuga Agate

Yuga Agate is a partnership firm constituted on December 26, 2006 and has its office at Flat No. A2, First Floor, Sahana Apartments, New No. 6, Old No. 55, Kavingar Bharathidasan Road, Alwarpet, Chennai 600 018. Yuga Agate has been formed with the object of carrying out the business of developing group housing projects, mainly in and around Chennai and other tier II cities through land banks acquired/to be acquired on outright as well as joint venture basis.

Partners as of August 31, 2007

The Partners of Yuga Agate are as follows:

S.No.	Partner	Amount of Contribution (Rs.)	Share of Profit/loss
1.	Mr. R. Sarabeswar	500,000	20.00
2.	Mr. S. Sivaramakrishnan	500,000	20.00
3.	Mr. V.G. Janarthanam	500,000	20.00
4.	Mr. B. Sivarajan	500,000	20.00
5.	Yuga Homes Limited	500,000	20.00
	Total	**2,500,000**	**100.00**

Financial performance

(In Rupees)

	Fiscal 2007
Partners Current Account	500,000
Partners Capital	Nil
Sales and other income	Nil
Cash and bank balances	498,878

No Profit and loss account has been prepared for Yuga Agate as the firm is still to commence the project for which it was constituted.

Vimuktha Vidhya Trust

Vimuktha Vidhya Trust is a public charitable trust constituted on January 24, 2001 and has its place of business at No. 5 Second Link Street, Mylapore, Chennai 600 004. Vimuktha Vidhya Trust has been formed with the object of establishing schools and educational institutions and awarding scholarships and prizes for deserving students.

Trustees as of August 31, 2007

The Vimuktha Vidhya Trust was settled by Mr. R. Sarabeswar. The trustees of the Vimuktha Vidhya Trust are Mr. S. Sivaramakrishnan, Mr. V.G. Janarthanam, Mr. T.R. Seetharaman and Mr. B.N. Venkataramana.

Financial Results

(In Rs.)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Sources of Funds			
Corpus Fund	1,387,000	771,500	661,000
Reserves and Surplus	32,788	22,445	24,671
Application of Funds			
Cash and Bank Balance	1,419,788	793,945	685,671
Excess of income over expenditure/ (expenditure over income)	10,343	(2,226)	12,556

Interest of our Promoter

Our Promoters are interested in our Company to the extent that they have promoted our Company, their shareholding in our Company and to the extent of their being directors and key managerial personnel in our Company. For further interest, of our Directors, see section "Our Management" on page 108.

Common Pursuits

Of our seven Promoter Group Entities, four namely Yuga Homes Limited, Yuga Agate, Yuga Developers and Yuga Builders have objects in common with our Company. Of the above, Yuga Developers and Yuga Builders are Joint Ventures in which we hold a stake. For details of the above refer to "Our Promoter" on page 122 and "History and Certain Corporate Matters" on page 99.

Our Board of directors will aim to identify and address conflict situations or potential conflict situations on a case by case basis. For instance, with the objective of preventing conflicts with certain of our Promoter Group Entities, our Company has entered into Non-Compete Agreements with Yuga Homes Limited and Samruddhi Holdings to ensure that conflict situations are minimized. Further, our Company avails of products and services from our promoter group entities on an arms length basis. The company also undertakes to fully comply with Section 295, 297 & 299 of the Companies Act to address any potential conflict.

For, further details on the related party transactions, to the extent of which our Company is involved, see "Related Party Transactions" on page 130.

Sick Company/ RoC Strike-Off

None of the companies forming part of our Promoter Group have been declared sick in the past or been struck off the register of Companies maintained by the RoC.

Disassociation by the Promoter in the last three years

Nil

RELATED PARTY TRANSACTIONS

Related Party	Relationship	Description	Amount - Rs. in Millions				
			Year Ending 31.03.2007	Year Ending 31.03.2006	Year Ending 31.03.2005	Year Ending 31.03.2004	Year Ending 31.03.2003
Company:							
Consolidated Interiors Limited	Subsidiary	Contract - Transaction	20.48	-	-	-	-
Yuga Homes Limited	Company in which Directors are interested	Contract - Transaction	44.55	10.79	-	-	-
Taurus Plant & Equipment Services Limited	Company in which Directors are interested	Unsecured Loan	-	-	0.11	-	-
Firm:							
Samruddhi Holdings	Partnership Firm in which the Managing / Whole Time Directors are interested	Trade License Fee	23.91	33.89	-	-	-
Individual:							
Mrs. Usha	Relative of Key Managerial Person	Rent	0.70	0.70	0.54	-	-
Mr.S.Kaushik Ram Business Strategist	Relative of Chairman & Wholetime Director	Salary	0.69	0.08	-	-	-
Key Management Personnel	Directors & Chairman (As detailed on Page 146)	Salary & Commission	39.61	25.02	14.20	9.60	8.44

Note: The Central Government vide its letter No:12/31/2006 dated 8.11.2006 approved the payment of salary to Mr.S.Kaushik Ram for a period of 5 years w.e.f. 12.6.2006 for an amount of Rs.18.00 Lacs p.a.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividends. All dividend payments are made in cash to the shareholders of the Company.

The dividends declared by our Company during the last five fiscal years have been presented below:

Particulars	Fiscal				
	2007	2006	2005	2004	2003
Number of equity shares (A)	13,302,178	11,911,278	4,193,000	1,722,922	1,722,922
Face value of shares (Per share)	10	10	10	10	10
Dividend on Equity Shares (Rs.)	30,053,470	21,709,652	8,614,610	3,445,844	3,368,776
Rate of dividend for Equity Shares (%) (i + ii)	25	25	25	20	20
(i) Interim	25	-	25	-	-
(ii) Final	-	25	-	20	20
Number of Preference Shares	-	-	70,000	70,000	70,000
Dividend on Preference Shares (Rs.)	Nil	91,000	91,000	91,000	65,411
Preference Rate of Dividend (%)					
		15	15	15	15
	Not	13	13	13	13
	Applicable	10	10	10	10
Dividend Tax (Rs.)	4,215,139	3,057,541	1,137,714	453,158	429,273

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

SECTION V: FINANCIAL STATEMENTS

UNCONSOLIDATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES, PROFIT AND LOSS AND CASH FLOWS, AS RESTATED, UNDER INDIAN GAAP (INCLUDING SUBSIDIARY) FOR THE PERIOD OF 5 (FIVE) FINANCIAL YEARS ENDED MARCH 31ST, 2007 AND CONSOLIDATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES, PROFIT AND LOSS, AS RESTATED FOR THE ABOVE YEARS

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

To
The Board of Directors
Consolidated Construction Consortium Limited
No.5, II Link Street,
C.I.T. Colony,
Mylapore,
Chennai – 600 004.

Dear Sirs,

We have examined the financial information of **Consolidated Construction Consortium Limited** ('**CCCL**' or '**Company'**) annexed to this report which have been prepared in accordance with the requirements of:

(a) paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

(b) the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ('the Guidelines') issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992; and

Financial information as per audited financial statements of "CCCL"

1. We have examined the attached restated unconsolidated summary statement of assets and liabilities of the Company as at March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 the attached restated summary statement of profit and loss and cash flows for each of the years ended on those dates ('summary statements') (see Annexure I, II and III) as prepared by the Company and approved by the Board of Directors. These profits have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the notes appearing in Annexure IV to this report. We have audited the financial statements of the Company for each of the years ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003.

2. The summary of significant accounting policies adopted by the Company is enclosed as Annexure V to this report.

3. Based on our examination of these summary statements, we confirm that:

   The impact of changes in accounting policies / material adjustments adopted by the Company as at and for the years ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 have been adjusted with retrospective effect in the attached summary statements;

   - The prior period items have been adjusted in the summary statements in the years to which they relate;
   - There are no extraordinary items, which need to be disclosed separately in the summary statements; and
   - There are no qualifications in the auditors' reports, which require any adjustments to the summary statements.

Other financial information

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

   I. Statement of Accounting and other ratios as appearing in Annexure VI;

   II. Capitalisation statement as at March 31, 2007 as appearing in Annexure VII;

   III. Statement of tax shelters as appearing in Annexure VIII;

   IV. Details of secured and unsecured loans as appearing in Annexure IX;

V. Details of Terms and Conditions of secured loans as at March 31, 2007 as appearing in Annexure X.

VI. Statement of Related party transactions as appearing in Annexure XI.

VII. Details of Dividend paid as appearing in Annexure XII.

VIII. Receivables Ageing Analysis as appearing in Annexure XIII.

IX. Statement of Loans and Advances as appearing in Annexure XIV.

X. Statement of Contingent Liabilities as appearing in Annexure XV.

XI. Statement of Other Income as appearing in Annexure XVI.

XII. Statement of Investment as appearing in Annexure XVII.

XIII. Statement of Current Liabilities and Provisions as appearing in Annexure XVIII.

Consolidated Financial information of "CCCL" its subsidiary and joint ventures

3. We have examined the attached restated consolidated summary statement of assets and liabilities of the Company as at March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 and the attached restated consolidated summary statement of profit and loss and cash flows for each of the years ended on those dates ('consolidated summary statements') (see Annexure XIX, XX and XXI) as prepared by the Company and approved by the Board of Directors. These profits have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the notes appearing in Annexure XXII to this report. We have audited the financial statements of the Company for each of the years ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003. We have audited the financial statements of the Company's wholly owned subsidiary, Consolidated Interiors Limited (CIL) ('WOS') for the Year ended March 31, 2007 being the first year of operation. We have audited the financial statements of the Company's joint ventures viz., Yuga Developers for the Years ended March 31, 2006 & March 31, 2007 and Yuga Builders for the Year ended March 31, 2007.

4. The summary of significant accounting policies adopted by the Company is enclosed as Annexure XXIII to this Report.

5. Based on our examination of these summary statements, we confirm that:

   The impact of changes in accounting policies / material adjustments adopted by the Company as at and for each of the years ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004, March 31, 2003 have been adjusted with retrospective effect in the attached summary statements:

   - The prior period items have been adjusted in the summary statements in the years to which they relate;
   - There are no extraordinary items, which need to be disclosed separately in the summary statements; and
   - There are no qualifications in the auditors' reports, which require any adjustments to the summary statements.

6. We confirm that the 'financial information as per audited financial statements' and 'other financial information' of CCCL have been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

7. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **MURALI ASSOCIATES**
Chartered Accountants

K.VENKATRAMAN
Partner
Membership No.200 / 21914

Date : August 14, 2007
Place : Chennai

SUMMARY STATEMENT OF ASSETS AND LIABILITIES AS RESTATED - ON A STAND ALONE BASIS

Annexure - I

(Rupees in Millions)

Particulars	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
FIXED ASSETS					
Gross Block	585.30	214.55	120.16	72.18	59.57
Less: Depreciation	79.16	46.12	27.35	19.73	13.73
Net Block	506.14	168.43	92.81	52.45	45.84
Capital WIP	25.98	-	-	-	-
Investments	22.06	2.93	5.70	1.52	0.97
Current Assets, Loans and Advances					
Contract work in progress	3,320.78	1,331.66	616.57	313.40	209.15
Sundry debtors	44.63	44.39	13.11	6.34	1.43
Cash and bank balances	888.27	898.30	81.93	88.94	57.84
Loans and advances	568.98	110.11	95.05	59.32	42.30
TOTAL (A)	**5,376.84**	**2,555.82**	**905.17**	**521.97**	**357.53**
LIABILITIES AND PROVISIONS					
Secured loans	1,154.34	292.19	262.41	90.78	36.48
Unsecured loans	-	-	10.98	23.25	-
Current liabilities	2,144.21	730.72	357.24	237.34	193.44
Provisions					
Provisions for Tax	75.01	27.53	44.50	22.50	17.70
Provisions for Dividend (including dividend distribution tax)	-	24.77	-	3.99	3.86
Deferred Tax liability	160.32	78.33	5.29	3.30	2.44
TOTAL (B)	**3,533.88**	**1,153.54**	**680.42**	**381.16**	**253.92**
NET WORTH (A-B)	**1,842.96**	**1,402.28**	**224.75**	**140.81**	**103.61**
Net worth represented by					
Share Capital	133.02	119.11	42.63	17.93	17.93
Reserve & Surplus	1,725.61	1,297.39	182.16	122.93	85.75
Less : Misc. Expenditure (to the extent not written off or adjusted)	(15.67)	(14.22)	(0.04)	(0.05)	(0.07)
Net Worth	**1,842.96**	**1,402.28**	**224.75**	**140.81**	**103.61**

SUMMARY STATEMENT OF PROFITS & LOSSES AS RESTATED - ON A STAND ALONE BASIS

Annexure - II

(Rupees in Million)

Particulars	As at 31.03.07	As at 31.03.06	As at 31.03.05	As at 31.03.04	As at 31.03.03
INCOME					
Contract Revenue	8,496.82	4,252.17	3,061.72	1,596.04	1,256.15
Other income	50.30	12.37	6.33	6.32	4.32
Total Income (A)	**8,547.12**	**4,264.54**	**3,068.05**	**1,602.36**	**1,260.47**
EXPENDITURE					
Operating expenses	7,038.16	3,489.54	2,678.34	1,390.84	1,095.93
Employee Cost	391.04	220.83	119.45	62.21	55.48
Sales and Administrative Expenses	394.12	204.18	115.49	70.34	47.23
Interest	68.79	40.58	18.89	8.42	6.63
Depreciation	35.53	18.98	9.58	6.00	4.92
Total Expenditure (B)	**7,927.64**	**3,974.11**	**2,941.75**	**1,537.81**	**1,210.19**
PROFIT BEFORE TAX (A-B)	619.48	290.43	126.30	64.55	50.28
Provision for taxes					
Current tax	(69.51)	(24.44)	(44.50)	(22.50)	(17.70)
Deferred tax	(81.99)	(73.04)	(1.99)	(0.85)	(1.01)
FBT	(5.50)	(3.09)	-	-	-
PROFIT AFTER TAX	**462.48**	**189.86**	**79.81**	**41.20**	**31.57**
ADJUSTMENTS	0.00	0.00	0.00	0.00	0.00
Current tax impact of Adjustments	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Deferred tax impact of Adjustments	-	-	-	-	-
Total of adjustments after tax impact	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
NET PROFIT FOR THE YEAR AS RESTATED	**462.48**	**189.86**	**79.81**	**41.20**	**31.57**
Profit and loss account (at the beginning of the year)	269.65	136.95	83.38	56.41	38.71
Balance available for appropriation	**732.14**	**326.81**	**163.19**	**97.61**	**70.28**
APPROPRIATION					
Transfer to General Reserve	73.20	32.30	16.30	10.00	10.00
Transfer to Capital Redemption Reserve	-	-	0.10	0.24	-
Dividend					
Preference	-	0.09	0.09	0.09	0.07
Equity	30.05	21.71	8.61	3.45	3.37
Tax on dividend	4.22	3.06	1.14	0.45	0.43
TOTAL	107.47	57.16	26.24	14.23	13.87
Balance carried forward	**624.67**	**269.65**	**136.95**	**83.38**	**56.41**

STATEMENT OF CASH FLOW AS RESTATED - ON A STAND ALONE BASIS

Annexure - III

(Rupees in Million)

Particulars	For the Year Ended 31.03.07	For the Year Ended 31.03.06	For the Year Ended 31.03.05	For the Year Ended 31.03.04	For the Year Ended 31.03.03
Cash flow from Operating activity					
Net profit after tax	462.48	189.86	79.81	41.20	31.57
Adjustments					
Depreciation	35.53	18.98	7.62	6.00	4.53
Interest expenses	68.79	40.58	18.89	8.42	6.63
Miscellaneous income	(50.30)	(12.37)	(6.33)	(6.32)	(4.08)
Miscellaneous Expenditure written off	-	-	0.02	0.02	0.02
Provision for tax	75.01	27.53	44.50	22.50	17.70
Diminution in value of investments	-	-	-	-	0.02
Deferred tax provided	81.99	73.04	1.99	0.85	1.01
Operating profit before working capital changes	**673.50**	**337.62**	**146.50**	**72.67**	**57.40**
Adjustments for Decrease / (Increase) Trade and other receivable	(337.40)	(90.84)	(20.50)	(17.13)	1.24
Decrease / (Increase) Inventories	(1,989.12)	(715.09)	(303.17)	(104.26)	(98.96)
Increase / (Decrease) Trade payable	1,339.25	465.99	115.91	44.03	88.74
Cash (used in) / generated from operation	**(313.77)**	**(2.32)**	**(61.26)**	**(4.69)**	**48.42**
Direct tax paid (net of refunds)	(75.01)	(92.51)	(45.50)	(22.50)	(17.75)
Net cash (used in) / from operating activity (a)	**(388.78)**	**(94.83)**	**(106.76)**	**(27.19)**	**30.67**
Cash flow from Investing activities					
Sale / (Purchase) of Fixed Asset	(398.80)	(94.57)	(47.89)	(12.46)	(16.54)
Sale / (Purchase) of Investments	(18.90)	4.84	(4.19)	(0.54)	3.62
Deferred Revenue Expenditure	(1.45)	-	-	-	-
Interest / dividends received	49.65	10.27	6.25	6.16	4.03
Net cash used in investing activities (b)	**(369.50)**	**(79.46)**	**(45.83)**	**(6.84)**	**(8.89)**
Cash flow from financing activities					
Proceeds from issue of shares	13.91	1,027.42	14.94	-	0.40
Share issue expenses (Private Placement)	-	(14.18)	-	-	-
Redemption of preference share capital	-	(0.70)	-	-	-
Proceeds / (Repayment) - Secured loan	862.15	29.78	171.63	54.30	7.13
Proceeds / (Repayment) - Unsecured loan	-	(10.98)	(12.26)	23.25	-
Interest paid	(68.79)	(40.58)	(18.88)	(8.43)	(6.63)
Dividend paid	(51.76)	(0.09)	(8.71)	(3.54)	(3.43)
Tax on dividend paid	(7.27)	-	(1.14)	(0.45)	(0.43)
Net cash from financing activity(c)	**748.24**	**990.67**	**145.58**	**65.13**	**(2.96)**
Net increase / (decrease) in cash and cash equivalent (a + b + c)	**(10.03)**	**816.38**	**(7.01)**	**31.10**	**18.82**
Cash and cash equivalent (opening)	898.30	81.93	88.94	57.84	39.02
Cash and cash equivalent (closing)	888.27	898.30	81.93	88.94	57.84

Annexure IV: Notes to the summary of assets and liabilities and profit and loss, as restated.

1. **Adjustment resulting from changes in Accounting Policies vis-à-vis material adjustment:**

   a) Depreciation:

   (i) Land & Buildings thereon for Rs.18.95 Millions and Rs.17.72 Millions respectively originally considered as Investments in the year of acquisition viz. financial year March 31, 2002 & thereafter reclassified under fixed asset during the financial year March 31, 2003.

   (ii) Consequent to the above said material adjustment, the depreciation on building has been restated for all the years under reference.

   b) Current Tax:

   1. Current tax has been applied for the financial year March 31, 2002 after giving allowance for the above depreciation and further the same has been restated correspondingly for the succeeding years covered therein. Consequent upon the restatement in the depreciation and current tax, the differences have been shown under adjustments / tax impact in the restated Profit and Loss Account for all the years. The corresponding effect of the above has been reckoned / adjusted in the Reserves and Surplus in the Balance Sheet.

   2. Further the provision for current tax for the year ended March 31, 2006 has been restated consequent to the change in the method of computation of current tax from the said financial year.

   c) Deferred Tax:

   Consequent to the above change in the current tax computation provision for deferred tax has accordingly been restated for the year ended March 31, 2006.

2. **Prior period items:**

   Short Provision of Rs 1.05 Million relating to Assessment Year 2001-02 & Excess provision of Rs 0.05 Million relating to Assessment Year 2002-03 originally provided for as prior period items during the financial year 2004-05 has duly been restated.

3. **Valuation of WIP, consequent to AS 7 (Revised):**

   There is no change in the value of the WIP, pursuant to the introduction of AS 7 (Revised) from the financial year March 31, 2004, as compared to the earlier AS 7 viz., Accounting for Construction Contracts (Originally issued in December, 1983). However the company commenced furnishing additional information as required under AS 7 (Revised) from the financial year March 31, 2004 onwards.

   Consequently, the need for any restatement did not arise on this account.

4. Amounts for Rs.8.71 million relating to Financial Year ended 31.03.2005 paid for by the company towards interim dividend during the course of the year was considered as final dividend. Hence no specific provision is called for towards dividend relating to this Financial Year.

5. AS 22 became mandatory from FY 2002-03 (Transitional Year) and Provision for Deferred Tax Liability was provided in the said Financial Year 2002-03 for the period starting from the commencement of the company to the current year.

Annexure V: Statement of significant accounting policies.

1. **Basis of preparation:**

   The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India, including the Mandatory Standards on Accounting issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Act.

2. **Fixed assets:**

   Fixed assets are stated at cost less accumulated depreciation and impairment losses where applicable. Cost comprises purchase price and all direct / indirect costs incurred to bring the asset to its working condition for its intended use.

3. **Depreciation:**

   Depreciation on Fixed Assets has been provided under Written down Value Method at the rates specified in Schedule XIV to the Companies Act, 1956 or at the rates based on Management's estimate of the useful life of such assets, whichever is higher. Such items of higher depreciation applied are as under:

a. For office equipments	- 40%
b. Temporary structures/interiors	- 20%

4. **Investment:**

   Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on individual investment basis.

   Long-term investments are carried at cost. Provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

5. **Revenue recognition:**

   a) **Construction Contracts**:

      (i) The Revenue Recognition vis-à-vis valuation of contract WIP are inline with the Accounting Standard 7, as originally introduced in the year 1983 and revised in 2002 with effect from the financial year March 31, 2004.

      (ii) Revenue is recognised on the basis of agreed price between the client and the company for various items of work done.

      (iii) Cost incurred is recognised in the Accounts for the items of work done in the year of recognition of revenues.

      Expenditure incurred on construction aids, scaffolding materials, temporary structures, comprising items used at construction sites, are charged off to the revenue at the end of each financial year on the following basis:

      Physical count and on the ascertainment of balance useful life of such items.

      (iv) Stage / Percentage of completion are determined with reference to certificates given by the clients / management and as well on the billing schedule agreed with them, for the value of work done during the year.

   b) **Sale of Ready Mix Concrete**:

      Sales exclude applicable Sales Tax and net of discounts.

   c) **Service Income from Designs**:

      Service Income from designing charges excludes applicable Service Tax and net of discounts.

   d) Dividend on Investments is accounted on the basis of declaration of dividends by the respective companies.

   e) Interest income is recognized using the time proportion method.

6. **Retirement benefits**:

   Provident fund is a defined contribution plan for which contribution accruing during the year as per the scheme is expensed.

a) Superannuation and Gratuity Schemes are defined contribution plans, which are funded with L.I.C. of India, and the contribution to the fund is expensed.

b) Cash equivalent of privilege leave accrued and not availed by the employees has been provided for in the Accounts towards leave encashment.

7. Taxation:

a) Current Tax:

Provision for tax is determined in accordance with the tax laws as existing at present.

Further the company, based on the legal opinion specifically obtained in this regard from the Solicitors, has excluded the value of retention money from the Revenue while computing the current tax for the years ended 31.3.2006 & 31.3.2007.

b) Fringe Benefit Tax:

Provision for FBT is determined in accordance with Chapter XII – H to Income Tax Act, 1961, read with the relevant rules, circulars & notifications issued from time to time.

c) Deferred Tax:

Provision has been reckoned towards Deferred tax liabilities, as set out in Accounting Standard 22.

8. Foreign currency transactions:

The Company has adopted Accounting Standard – 11 (Revised 2003) in respect of Foreign Currency transactions.

All exchange differences arising on settlement/conversion of foreign currency transactions are included in the profit and loss account, except in cases where they relate to the acquisition of fixed assets, where they are adjusted in the cost of the corresponding asset.

9. Deferred Revenue Expenditure:

Deferred revenue expenditure comprising the cost incurred for Interior works done at various offices of the company and as well the contribution to the specific trust for the Stock Option Scheme (ESOP) are decided to be amortized over a period of 3 years.

10. Joint Ventures:

a) The company, pursuant to separate deeds of partnership, has become a partner in two joint venture partnership firms [JV(s)] Yuga Developers and Yuga Builders for the purpose of carrying on the development of housing complex, the details of which are set out hereunder

Name of the JV / Partnership Firms	Percentage of ownership / Interest	Details of Registration	Amount Invested / advanced as at 31.03.2007 (Rs. In Millions)
YUGA DEVELOPERS	25%	Registered under the Indian Partnership Act, 1932, 18.07.2005 (Deed of Partnership dated 11.07.2005)	As Share Capital – 1.25
YUGA BUILDERS	50%	Registered under the Indian Partnership Act, 1932, 11.12.2006 (Deed of Partnership dated 30.11.2006)	As Share Capital – 0.50 As Advances – 43.00

b) As the projects undertaken by both the joint venture partnership firms are in the initial stages of their progress, the requirement of reckoning profit/loss did not arise. As such no profit & loss account has been prepared for either of the partnership firms.

11. Others:

a) **Trade License Fee**: The company has entered into an understanding with a partnership firm, Samruddhi Holdings in the year 1997 for the usage, assignment of name, logo and trademark on payment of certain license fee, mutually agreed upon.

Inline with the said understanding, the corresponding liability towards the license fee has arisen in the financial year 2005-06 and accordingly provided for in the Accounts.

b) Income representing technical fee due from Trade Line LLC, Dubai, UAE pursuant to the Memorandum of Understanding entered into with them have been reckoned in financial year ended March 31, 2007.

c) Previous year's figures have been regrouped / consolidated wherever applicable / required and furnished accordingly.

STATEMENT OF ACCOUNTING AND OTHER RATIOS

Annexure - VI

Particulars	For the Year Ended 31.03.07	For the Year Ended 31.03.06	For the Year Ended 31.03.05	For the Year Ended 31.03.04	For the Year Ended 31.03.03
Earnings per Share (Rs)					
- Basic (Refer Note - 1)	38.24	21.52	20.40	23.85	18.29
- Diluted	38.24	21.52	20.40	23.85	18.29
No. of Shares Outstanding in Millions	13.30	11.91	4.19	1.72	1.72
Net Asset Value (Rs. in Millions)	1,842.95	1,402.28	224.05	140.13	102.90
Net Asset Value per share (In Rs.)	138.55	117.73	53.43	81.33	59.73
Return on Net worth (%)	25.09%	13.54%	35.51%	29.25%	30.48%

Notes:

1) The company has issued Bonus Shares on 16.04.2007, in the ratio of 3 shares for every 2 shares held. The Basic / Diluted EPS, pursuant to such Bonus issue if restated shall be at Rs.14.43 for the year ended 31.3.2007.

2) The ratios have been computed as below:

Earnings per share	=	Adjusted profit after tax available to Equity Shareholders / Weighted average no. of equity shares outstanding during the year
Net Worth	=	Share Capital + Reserves & Surplus - Misc. & Deferred Revenue Expenditure to the extent not written off
Return on Net worth	=	Adjusted profit after tax / Net worth
Net Asset Value	=	Net Worth - Preference Capital
Net Asset value per share	=	Net Asset Value / No. of equity shares outstanding as on Year

3) Earnings per share calculations have been done in accordance with Accounting Standard 20 - “Earnings Per Share” issued by the Institute of Chartered Accountants of India.

CAPITALISATION STATEMENT AS AT MARCH 31, 2007

Annexure - VII

(Rupees in Million)

Particulars		Pre Issue 31.03.2007		Post Issue (Note 2)
Short Term Debt		962.45		
Long Term Debt (Note)	(A)	191.89		
Total			**1,154.34**	
Shareholders' Funds				
Share Capital			133.02	
Reserves and surplus		1,725.60		
Less:- Miscellaneous Expenditure (To the extent not written off)		(15.67)		
			1,709.93	
Total Shareholders' funds	(B)		**1,842.95**	
Long term debt/equity	(A) / (B)		**0.10**	

Note :

1. Long term debt comprises of Term loans from Bank which are repayable for a period exceeding 12 months.
2. Share capital and reserves & surplus post issue can be calculated only on the conclusion of the book building process.
3. For Contingent Liability please refer Annexure XV.

STATEMENT OF TAX SHELTER

Annexure – VIII

(Rs. In Million)

	Particulars		Years ended March 31				
			2007	**2006**	**2005**	**2004**	**2003**
A	Net Profit before Current Taxes	A	619.48	290.42	126.30	64.55	50.29
B	Income Tax Rate						
	- On Normal Income	B 1	33.66%	33.66%	36.59%	35.88%	36.75%
	- On Long Term Capital Gain	B 2	22.44%	22.44%	20.91%	20.50%	21.00%
C	Tax at Normal rate	C = A * B 1	208.52	97.76	46.22	23.16	18.48
	Adjustments:						
D	**Permanent Differences**						
	Share Issue Expenses Disallowed		11.47	0.50	0.25	-	-
	Donation Disallowed		0.53	0.05	0.25	0.08	0.03
	Dividend Income Exempt under IT Act		-	(0.19)	(0.00)	(2.13)	-
	Capital Gain set off		-	(2.10)	(0.08)	2.38	(0.05)
	Total	D	**12.00**	**(1.75)**	**0.42**	**0.32**	**(0.02)**
E	**Timing Differences**						
	Expenditure disallowed / (Claimed) u/s 43B of IT Act		-	(0.00)	0.10	-	0.08
	Difference between Preliminary Expenses in Accounts and IT		0.75	0.16	(0.05)	0.00	0.00
	Difference between Tax Depreciation and Book Depreciation		(18.13)	(3.04)	(5.17)	(2.52)	(2.76)
	Retention Money Deducted		(234.34)	(203.12)	-	-	-
	Other Adjustments (Deferred Revenue Expenditure)		-	(14.50)	-	-	-
	Total	E	(251.72)	(220.50)	(5.12)	(2.51)	(2.67)
F	Total Adjustments	F = D + E	(239.72)	(222.25)	(4.70)	(2.19)	(2.70)
G	Net Tax impact	G = B 1 * F	(80.69)	(74.81)	(1.72)	(0.78)	(0.99)
H	Tax under normal provisions of the Income Tax Act	H = C + G	127.82	22.95	44.50	22.37	17.49
I	Tax Under MAT		69.51	24.44	9.90	5.33	3.96
J	Tax as per Income Tax Return Filed / Relevant Correspondence						
	- on Normal Income		-	24.44	44.50	22.37	17.49
	- on Capital Gain		-	-	-	-	-
K	Provision for tax made in books		69.51	89.42	44.50	22.50	17.70

Notes:

1. For the years ended March 31, 2003, 2004, 2005, 2006, the above statement has been prepared based on the Income-tax Returns filed and assessment orders passed.
2. For the year ended March 2007, the statement has been prepared based on the audited financial statements drawn up for the relevant year.
3. Further, the Management has represented to us that the re-statements made to the statutory financial statements (in order to confirm with SEBI guidelines) would not have a tax impact.
4. The Company has not availed any of the tax shelters as set out in Part C of Chapter VI-A of the Income tax Act, 1961.

DETAILS OF SECURED & UNSECURED LOANS

Annexure – IX

(Rs. In Million)

Particulars	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
SECURED LOANS					
Term Loans					
- From Banks	179.79	275.17	173.50	17.15	15.00
Total	**179.79**	**275.17**	**173.50**	**17.15**	**15.00**
Other Secured Loans					
- Working Capital Loans from Banks	962.45	0.28	88.90	68.88	17.19
- HP loans	12.10	16.73	-	4.75	4.29
Total	**974.55**	**17.01**	**88.90**	**73.63**	**21.48**
UNSECURED LOANS					
- From Banks	-	-	10.98	23.25	-
Total	**-**	**-**	**10.98**	**23.25**	**-**
GRAND TOTAL	**1,154.34**	**292.19**	**262.41**	**90.78**	**36.48**

Note 1 :

For Terms & Conditions please refer Annexure XIV

Note 2:

Details of items related to promoter /promoter group/other related party - **NIL**

DETAILS OF TERMS AND CONDITIONS OF SECURED LOANS OUTSTANDING AS ON 31.03.2007

Annexure – X

S. No.	Nature of Secured Loan	Name of Financial Institution	Amount (Rs. In Millions)	Security	Interest	Terms of Repayment
1	Term Loan	State Bank of India	179.79	Secured by extension of charge on Fixed Assets, Current assets and Non-Current assets.	1.25% below SBAR minimum 9%	12 Quarterly instalments Commencing from 30.06.2006
2	HP Loans	SREI Infrastructure Finance Limited	12.10	Specified Assets	9.00%	Monthly EMI payable
3	Working Capital Finance	Bank of Baroda & State Bank of India	962.45	Secured by hypothecation of stocks, raw materials and receivables	1.00% below BPLR, minimum 10% Pa	Repayable on demand
			1,154.34			

RELATED PARTY TRANSACTIONS

Annexure – XI

Amount - Rs. in Millions

Related Party	Relationship	Description	Year Ending 31.03.2007	Year Ending 31.03.2006	Year Ending 31.03.2005	Year Ending 31.03.2004	Year Ending 31.03.2003
Company:							
Consolidated Interiors Limited	Subsidiary	Contract - Transaction	20.48	-	-	-	-
Yuga Homes Limited	Company in which Directors are interested	Contract - Transaction	44.55	10.79	-	-	-
Taurus Plant & Equipment Services Limited	Company in which Directors are interested	Unsecured Loan	-	-	0.11	-	-
Firm:							
Samruddhi Holdings	Partnership Firm in which the Managing / Whole Time Directors are interested	Trade License Fee	23.91	33.89	-	-	-
Individual:							
Mrs. Usha	Relative of Key Managerial Personnel	Rent	0.70	0.70	0.54	-	-
Mr. S. Kaushik Ram Business Strategist	Relative of Chairman & Wholetime Director	Salary	0.69	0.08	-	-	-
Key Management Personnel	Directors & Chairman (As Detailed Below)	Salary & Commission	39.61	25.02	14.20	9.60	8.44

Payments to Key Management Personnel

Name	Designation	Nature	Year Ending 31.03.2007	Year Ending 31.03.2006	Year Ending 31.03.2005	Year Ending 31.03.2004	Year Ending 31.03.2003
R.Sarabeswar	Chairman & Wholetime Director	Salary	8.82	6.57	6.37	3.96	4.01
		Commission	6.19	3.15			
		(A)	15.01	9.72	6.37	3.96	4.01
S. Siva-ramakrishnan	Managing Director	Salary	7.78	5.67	4.98	4.01	3.20
		Commission	6.19	3.15			
		(B)	13.97	8.82	4.98	4.01	3.20
V.G. Janarthanam	Director	Salary	4.44	3.33	2.85	1.63	1.23
		Commission	6.19	3.15			
		(C)	10.63	6.48	2.85	1.63	1.23
Grand Total		**(A+B+C)**	**39.61**	**25.02**	**14.20**	**9.60**	**8.43**

DETAILS OF DIVIDENDS PAID

Annexure – XII

Particulars	Year Ending 31.03.07	Year Ending 31.03.06	Year Ending 31.03.05	Year Ending 31.03.04	Year Ending 31.03.03
Equity Share:					
- Dividend (Rs. in Millions)	30.05	21.71	8.61	3.45	3.37
- Dividend per share in Rs.	2.50	2.50	2.50	2.00	2.00
Preference Share:					
- Dividend (Rs. in Millions)	-	0.09	0.09	0.09	0.07
Tax on Dividend (Rs. in Millions)	4.22	3.06	1.14	0.45	0.43

Note - 1

Particulars	Year Ending 31.03.07	Year Ending 31.03.06	Year Ending 31.03.05	Year Ending 31.03.04	Year Ending 31.03.03
Dividend paid to Promoter/ Promoter group Related party					
- Equity	15.41	16.49	6.69	2.67	2.61
- Preference	-	0.07	0.07	0.07	0.05

Note - 2

Other than the Note 1 above, the details of promoter/ promoter group/ related party - NIL

RECEIVABLES AGEING ANALYSIS

Annexure XIII

(Rs. in Millions)

Particulars	Year Ending 31.03.07	Year Ending 31.03.06	Year Ending 31.03.05	Year Ending 31.03.04	Year Ending 31.03.03
Considered Good					
Receivables Outstanding for a Period Exceeding 6 Months	3.27	1.79	0.31	2.66	1.43
Other Debts	41.35	42.60	12.80	3.67	-
Doubtful	-	-	-	-	-
Total	**44.63**	**44.39**	**13.11**	**6.34**	**1.43**

Note - 1:-

Details of items related to promoter /promoter group/other related party - NIL

STATEMENT OF LOANS AND ADVANCES

Annexure XIV

(Rs. in Millions)

Particulars	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
Advances to Sub - Contractors	40.96 (Note -1)	26.98	8.74	9.52	-
Advances - Land	7.59				
Advances to Workmen	-	-	-	-	3.93
Advances - Others	43.14	7.83	5.28 (Note - 2)	0.12	3.05
Cheques on Hand	0.01	-	-	-	-
Prepaid Expenses - Others	11.60	3.06	1.39	0.99	1.10
Advances to Suppliers	63.68	9.21	6.14	2.09	0.01
Other Advances to Employees	0.33	0.52	0.34	-	-
Advances for Site Expenses	0.97	1.04	0.12	0.12	3.17
Insurance Claims	-	2.50	-	-	-
Earnest Money Deposit	42.82	17.85	9.87	5.82	-
Telephone Deposits	0.34	0.30	0.26	0.24	0.19
Tax Deducted At Source	209.56	-	46.38	27.33	19.46
Rent Deposit	16.23	11.99	6.15	2.38	0.01
Cylinder Deposits	0.14	0.13	0.07	0.02	0.10
Sales Tax Deposit	0.39	0.16	0.12	0.12	0.27
Electricity Deposit	3.54	2.55	0.82	0.02	-
Deposits With Labour Commissioner	2.15	0.82	0.43	0.10	-
Deposits - Others	2.98	3.36	3.88	2.36	0.01
Sales Tax Advance Payment	(20.12)	1.60	5.03	8.07	10.13
Input Credit - VAT	19.95	2.46	-	-	-
Others Receivable	78.22	17.75	0.03	0.03	0.88
Input Credit Excise Duty	31.83	-	-	-	-
TDS Sales Tax Certificate Receivable	12.66	-	-	-	-
	568.98	**110.11**	**95.05**	**59.32**	**42.30**

Note 1:

Includes Rs.7.19 Million advance made to the Wholly owned subsidiary - Consolidated Interiors Limited

Note 2:

Includes Rs.0.11 Million as at 31.03.2005 paid as advance to a Company in which the Directors are interested.

Other than the above, the details of balances - promoters/ promoters group/ related parties – **NIL**

STATEMENT OF CONTINGENT LIABILITIES

Annexure XV

(Rs. In Millions)

Particulars	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
Bank Guarantees (Including Letter of Credit)	1,903.47	407.14	100.56	150.93	84.91
Sales Tax	8.12	-	-	-	-
Total	**1,911.59**	**407.14**	**100.56**	**150.93**	**84.91**

STATEMENT OF OTHER INCOME

Annexure XVI

(Rupees in Millions)

Particulars	Year Ending 31.03.2007	Year Ending 31.03.2006	Year Ending 31.03.2005	Year Ending 31.03.2004	Year Ending 31.03.2003
Interest on Term Deposits & Securities	47.12	3.95	3.18	4.02	3.93
Dividend / Other Income	2.53	6.32	3.06	2.13	0.10
Profit on Sale of Fixed Assets	0.41	0.04	0.08	0.16	0.05
Miscellaneous Income	-	-	-	-	0.24
Profit on Sale of Investments	0.24	2.06	-	-	0.01
Total	**50.30**	**12.37**	**6.33**	**6.32**	**4.32**

Note :

1. All the above incomes stated herein are Non - recurring in nature.

2. Details of items related to promoter /promoter group/other related party - **NIL**

STATEMENT OF INVESTMENT

Annexure XVII

(Rs. In Millions)

Particulars	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
Non-Trade (Unquoted) :					
Government Securities : (At Cost)					
6 Years National Savings Certificate VIII Series	-	0.78	0.70	0.63	0.57
Post Office Savings Bank A/c (Kept as Security Deposit with Various Authorities)	0.49	0.48	0.81	0.80	0.32
Trade (Unquoted)					
19,73,850 Equity Shares of Consolidated Interiors Limited (Fully paid Rs.10/- per share)	19.74				
4,09,730 Equity Shares of Yuga Homes Limited (fully paid Rs.10/- per share)		-	4.10	-	-
(Refer Note -1)					
Trade (Quoted at Market Price)					
40 Equity Shares of Digital Globalsoft (fully paid Rs.10/- per share)	-	0.05	0.05	0.05	0.05
60 Equity Shares of Himachal Futuristic Communications Ltd (fully paid Rs.10/- per share)	-	0.09	0.09	0.09	0.09
30 Equity Shares of Hindustan Lever Ltd (fully paid Re.1/- per share)	-	0.01	0.01	0.01	0.01
20 Equity Shares of Hughes Software Systems Ltd (fully paid Rs.5/- per share)	-	-	0.04	0.04	0.04
48 Equity Shares of Infosys Technologies Ltd (fully paid Rs.5/- per share)	0.08	0.08	0.08	0.08	0.08
50 Equity Shares of Orchid Chemicals & Pharmaceuticals Ltd (fully paid Rs.10/- per share)	-	0.02	0.02	0.02	0.02
22 Equity Shares of Pentamedia Graphics Ltd (fully paid Rs.10/- per share)	-	0.04	0.04	0.04	0.04
100 Equity Shares of Reliance Capital Ltd (fully paid Rs.10/- per share)	-	0.03	0.03	0.03	0.03
50 Equity Shares of Rolta India Ltd (fully paid Rs.10/- per share)	-	0.05	0.05	0.05	0.05
145 Equity Shares of Zee Telefilms Ltd (fully paid Re.1/- per share)	-	0.20	0.20	0.20	0.20
10 Equity Shares of Software Solutions India Ltd (fully paid Rs.10/- per share)	-	0.04	0.04	0.04	0.04
10 Equity Shares of Scandent Solutions (fully paid Rs.10/- per share)	-	-	-		

(Rs. In Millions)

Particulars	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
(Refer Note - 2)					
300 Equity Shares of Q Flex Cables India Ltd (fully paid Rs.10/- per share)	0.01	0.01	0.01	0.01	0.01
1441 Equity Shares of Bank of Baroda (fully paid Rs.10/- per share)	-	0.33	-	-	-
	20.32	2.22	6.29	2.10	1.56
Less: Diminution in value of shares	0.01	0.54	0.58	0.58	0.58
	20.31	1.68	5.70	1.52	0.97
Investment in Capital of Partnership Firm	1.75	1.25	-	-	-
Total	**22.06**	**2.93**	**5.70**	**1.52**	**0.97**

Note: 1

Represents the Company in which the promoters are substantially interested.

Note: 2

Represent shares received at free of cost, pursuant to the shares held in Software Solutions India Ltd. **NIL**

Note: 3

Other than the Note 1 above, the details of promoter/ promoter group/ related party - Nil

STATEMENT OF CURRENT LIABILITIES & PROVISIONS

Annexure XVIII

(Rs. In Millions)

Particulars		As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
Sundry Creditors						
PF Employees Contribution O&S (CY)		-	-	-	0.01	0.11
TDS Payable		10.43	4.29	0.32	1.27	0.65
Sundry Creditors for Suppliers		544.21	391.37	154.05	73.26	82.64
Bills Payable		40.89	-	-	-	-
Sundry Creditors for Sub-Contractor		184.32	46.96	15.58	22.30	42.85
Retention Amount		138.88	74.04	61.25	44.98	-
Salaries Payable (CY)		0.97	1.30	0.58	0.44	-
Professional tax payable		0.07				
Provision for Bonus -Staff (CY)		-	-	4.16	0.04	-
Liabilities For Expenses		156.12	67.55	51.46	24.06	29.16
TDS Sales Tax		3.48	0.03	0.32	-	-
Bank Account Credit Balances		-	-	3.86	-	-
Service Tax Payable		60.61	15.53	11.38	-	-
Advances - Vehicles		0.97	0.50	0.23	-	-
	(A)	**1,140.95**	**601.56**	**303.19**	**166.36**	**155.41**
Advances from Clients						
Advances from Clients		1,003.18	203.29	54.06	70.36	22.06
Material Advance from Clients		0.08	0.10	-	0.60	-
	(B)	**1,003.26**	**203.39**	**54.06**	**70.96**	**22.06**
Security Deposit Received - Others	(C)	-	**-**	**-**	**0.02**	**0.02**
Credit Balance in Bank Account	(D)	-	**-**	**-**	**-**	**15.94**
Provision for Tax (PY)		-	110.39	-	-	-
Less:- Tax Deducted At Source		-	(184.63)	-	-	-
	(E)	-	**(74.24)**	**-**	**-**	**-**
Total	***(A+B+C+D+E)***	**2,144.21**	**730.72**	**357.24**	**237.34**	**193.44**

Note :

1. Details of items related to promoter /promoter group/other related party - **NIL**

SUMMARY STATEMENT OF ASSETS AND LIABILITIES AS RESTATED - ON A CONSOLIDATED BASIS

Annexure – XIX

(Rupees in Million)

Particulars	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
FIXED ASSETS					
Gross Block	592.28	214.55	120.16	72.18	59.57
Less: Depreciation	79.98	46.12	27.35	19.73	13.73
Net Block	512.30	168.43	92.81	52.45	45.84
Capital WIP	25.98	-	-	-	-
Investments	0.57	1.68	5.70	1.52	0.97
Current Assets, Loans and Advances					
Contract work in progress/Stocks	3,391.52	1,340.11	616.57	313.40	209.15
Sundry debtors	44.63	44.39	13.11	6.34	1.43
Cash and bank balances	889.22	898.35	81.93	88.94	57.84
Loans and advances	568.72	110.11	95.05	59.32	42.30
TOTAL (A)	**5,432.94**	**2,563.07**	**905.17**	**521.97**	**357.53**
LIABILITIES AND PROVISIONS					
Secured loans	1,154.34	292.19	262.41	90.78	36.48
Unsecured loans	-	-	10.98	23.25	-
Current liabilities	2,178.57	737.98	357.24	237.34	193.44
Provisions					
Provisions for Tax	77.55	27.53	44.50	22.50	17.70
Provisions for Dividend (including dividend distribution tax)	-	24.77	-	3.99	3.86
Deferred Tax liability	165.61	78.33	5.29	3.30	2.44
TOTAL (B)	**3,576.07**	**1,160.80**	**680.42**	**381.16**	**253.92**
NET WORTH (A-B)	**1,856.87**	**1,402.27**	**224.75**	**140.81**	**103.61**
Net worth Represented by					
Share Capital	133.02	119.11	42.63	17.93	17.93
Reserve & Surplus	1,739.90	1,297.39	182.16	122.93	85.75
Less- Misc Expenditure (to the extent not written off or adjusted)	(16.05)	(14.23)	(0.04)	(0.05)	(0.07)
Net Worth	**1,856.87**	**1,402.27**	**224.75**	**140.81**	**103.61**

SUMMARY STATEMENT OF PROFITS & LOSSES, AS RESTATED - ON A CONSOLIDATED BASIS

Annexure – XX

(Rs. In Millions)

Particulars		As At 31.03.2007	As At 31.03.2006	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003
INCOME						
Contract Revenue		8,633.39	4,252.17	3,061.72	1,596.04	1,256.15
Other income		50.32	12.37	6.33	6.32	4.31
Total Income	**(A)**	**8,683.71**	**4,264.54**	**3,068.05**	**1,602.36**	**1,260.46**
EXPENDITURE						
Operating expenses		7,131.17	3,489.54	2,678.34	1,390.84	1,095.93
Employee Cost		402.01	220.83	119.45	62.21	55.48
Sales and Administrative Expenses		403.80	204.18	115.49	70.34	47.23
Interest		68.79	40.58	18.89	8.42	6.63
Depreciation		36.34	18.98	9.58	6.00	4.92
Total Expenditure	**(B)**	**8,042.11**	**3,974.11**	**2,941.75**	**1,537.81**	**1,210.19**
PROFIT BEFORE TAX	**(A-B)**	641.60	290.43	126.30	64.55	50.27
Provision for taxes						
Current tax		(71.99)	(24.44)	(44.50)	(22.50)	(17.70)
Deferred tax		(87.28)	(73.04)	(1.99)	(0.85)	(1.01)
FBT		(5.56)	(3.09)	-	-	-
PROFIT AFTER TAX		**476.77**	**189.86**	**79.81**	**41.20**	**31.56**
ADJUSTMENTS		0.00	0.00	0.00	0.00	0.00
Current tax impact of Adjustments		(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Deferred tax impact of Adjustments		-	-	-	-	-
Total of adjustments after tax impact		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
NET PROFIT FOR THE YEAR AS RESTATED		**476.77**	**189.86**	**79.81**	**41.20**	**31.56**
Profit and loss account (at the beginning of the year)		269.65	136.94	83.37	56.40	38.71
Balance available for appropriation		**746.43**	**326.80**	**163.18**	**97.60**	**70.27**
APPROPRIATION						
Transfer to General Reserve		78.20	32.30	16.30	10.00	10.00
Transfer to Capital Redemption Reserve		-	-	0.10	0.24	-
Dividend						
Preference		-	0.09	0.09	0.09	0.07
Equity		30.05	21.71	8.61	3.45	3.37
Tax on dividend		4.22	3.06	1.14	0.45	0.43
TOTAL		112.47	57.16	26.24	14.23	13.87
Balance carried forward		**633.96**	**269.64**	**136.94**	**83.37**	**56.40**

STATEMENT OF CASH FLOW AS RESTATED - ON A CONSOLIDATED BASIS

Annexure – XXI

(Rs. In Millions)

	Particulars	For the Year Ended 31.03.07	For the Year Ended 31.03.06	For the Year Ended 31.03.05	For the Year Ended 31.03.04	For the Year Ended 31.03.03
A	**Cash flow from Operating activity**					
	Net profit after tax	476.77	189.86	79.81	41.20	31.57
	Adjustments					
	Depreciation	36.34	18.98	7.62	6.00	4.53
	Interest expenses	68.78	40.58	18.89	8.42	6.63
	Miscellaneous income	(50.32)	(12.37)	(6.33)	(6.32)	(4.08)
	Miscellaneous Expenditure written off	-	-	0.02	0.02	0.02
	Provision for tax	77.55	27.53	44.50	22.50	17.70
	Diminution in value of investments	-	-	-	-	0.02
	Deferred tax provided	87.28	73.04	1.99	0.85	1.01
	Operating profit before working capital changes	**696.40**	**337.62**	**146.50**	**72.67**	**57.40**
	Adjustments for Decrease / (Increase) Trade and other receivable	(356.09)	(90.84)	(20.50)	(17.13)	1.24
	Decrease / (Increase) Inventories	(2,051.41)	(723.54)	(303.17)	(104.26)	(98.96)
	Increase / (Decrease) Trade payable	1,387.86	473.23	115.91	44.03	88.74
	Cash (used in) / generated from operation	**(323.24)**	**(3.53)**	**(61.26)**	**(4.69)**	**48.42**
	Direct tax paid (net of refunds)	(77.55)	(92.51)	(45.50)	(22.50)	(17.75)
	Net cash (used in) / from operating activity (a)	**(400.79)**	**(96.04)**	**(106.76)**	**(27.19)**	**30.67**
B	**Cash flow from Investing activities**					
	Sale / (Purchase) of Fixed Asset	(405.78)	(94.57)	(47.89)	(12.46)	(16.54)
	Sale / (Purchase) of Investments	1.34	6.09	(4.19)	(0.54)	3.62
	Miscellaneous / Deferred Revenue Expenditure	(1.82)	-	-	-	-
	Interest/Dividends received	49.68	10.27	6.25	6.16	4.03
	Net cash used in investing activities (b)	**(356.58)**	**(78.21)**	**(45.83)**	**(6.84)**	**(8.89)**

(Rs. In Millions)

	Particulars	For the Year Ended 31.03.07	For the Year Ended 31.03.06	For the Year Ended 31.03.05	For the Year Ended 31.03.04	For the Year Ended 31.03.03
C	**Cash flow from financing activities**					
	Proceeds from issue of shares	13.91	1,027.42	14.94	-	0.40
	Share issue expenses (Private Placement)	-	(14.18)	-	-	-
	Redemption of preference share capital	-	(0.70)	-	-	-
	Proceeds / (Repayment) - Secured loan	862.15	29.78	171.63	54.30	7.13
	Proceeds / (Repayment) - Unsecured loan	-	(10.98)	(12.26)	23.25	-
	Interest paid	(68.79)	(40.58)	(18.88)	(8.43)	(6.63)
	Dividend paid	(51.76)	(0.09)	(8.71)	(3.54)	(3.43)
	Tax on dividend paid	(7.27)	-	(1.14)	(0.45)	(0.43)
	Net cash from financing activity (c)	**748.24**	**990.67**	**145.58**	**65.13**	**(2.96)**
	Net increase / (decrease) in cash and cash equivalent (a + b + c)	**(9.13)**	**816.42**	**(7.01)**	**31.10**	**18.82**
	Cash and cash equivalent (opening)	898.35	81.93	88.94	57.84	39.02
	Cash and cash equivalent (closing)	889.22	898.35	81.93	88.94	57.84

Annexure XXII: Notes to the consolidated summary statements of assets and liabilities and profit and loss, as restated.

1. Adjustment resulting from changes in Accounting Policies vis-à-vis material adjustment:

***d) Depreciation**:*

i. Land & Buildings thereon for Rs.18.95 Millions and Rs. 17.72 Millions respectively originally considered as Investments in the year of acquisition viz. financial year March 31, 2002 & thereafter reclassified under fixed asset during the financial year March 31, 2003.

ii. Consequent to the above said material adjustment; the depreciation on building has been restated for all the years under reference.

***e) Current Tax**:*

i. Current tax has been applied for the financial year March 31, 2002 after giving allowance for the above depreciation and further the same has been restated correspondingly for the succeeding years covered therein. Consequent upon the restatement in the depreciation and current tax, the differences have been shown under adjustments / tax impact in the restated Profit and Loss Account for all the period / years. The corresponding effect of the above has been reckoned / adjusted in the Reserves and Surplus in the Balance Sheet.

ii. Further the current tax for the year ended March 31, 2006 has been restated consequent to the change in the method of computation.

f) Deferred Tax:

Consequent to the above change in the current tax computation provision for deferred tax has accordingly been restated for the year ended March 31, 2006.

2. Prior period items:

Short Provision of Rs 1.05 Million relating to Assessment Year 2001-02 & Excess provision of Rs 0.05 Million relating to Assessment Year 2002-03 originally provided for as prior period items during the financial year 2004-05 has duly been restated.

3. Valuation of WIP, consequent to AS 7 (Revised):

There is no change in the value of the WIP, pursuant to the introduction of AS 7 (Revised) from the financial year March 31, 2004, as compared to the earlier AS 7 viz., Accounting for Construction Contracts (Originally issued in December, 1983). However the company commenced furnishing additional information as required under AS 7 (Revised) from the financial year March 31, 2004 onwards.

Consequently, the need for any restatement did not arise on this account.

4. Amounts for Rs.8.71 million relating to Financial Year ended 31.03.2005 paid for by the company towards interim dividend during the course of the year was considered as final dividend. Hence no specific provision is called for towards dividend relating to this Financial Year.

5. AS 22 became mandatory from FY 2002-03 (Transitional Year) and Provision for Deferred Tax Liability was provided in the said Financial Year 2002-03 for the period starting from the commencement of the company to the current year.

Annexure XXIII: Statement of significant accounting policies

6. Basis of preparation:

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India, including the Mandatory Standards on Accounting issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Act. Further, the financial statements are presented in the general format specified in Schedule VI to the Companies Act, 1956 ('the Act'). However, as these financial statements are not statutory financial statements, full compliance with the above Act are not required and so they do not reflect all the disclosure requirements of the Act.

The consolidated financial statements of the Company have been prepared as under;

i. By means of consolidation as per AS 21 of the Balance Sheet, statement of profit & loss and cash flows of CCCL and its subsidiary Consolidated Interiors Limited only as at March 31, 2007 as the subsidiary was formed during financial year 2006-07.

ii. By means of proportionate consolidation as per AS 27 of the joint venture partnership firms viz., Yuga Developers (March 31, 2007 & 2006) and Yuga Builders (March 31, 2007) as these JVs have been formed during financial years 2005-06 & 2006-07 respectively.

The significant accounting policies adopted by the Group in respect of the consolidated financial statements are detailed as follows:

7. Fixed assets:

Fixed assets are stated at cost less accumulated depreciation and impairment losses where applicable. Cost comprises purchase price and all direct / indirect costs incurred to bring the asset to its working condition for its intended use.

8. Depreciation:

Depreciation on Fixed Assets has been provided under Written down Value Method at the rates specified in Schedule XIV to the Companies Act, 1956 or at the rates based on Management's estimate of the useful life of such assets, whichever is higher. Such items of higher depreciation applied are as under:

a. For office equipments - 40%

b. Temporary structures/interiors - 20%

9. Investment:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. Provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

10. Revenue recognition:

a) Construction Contracts:

(i) The Revenue Recognition vis-à-vis valuation of contract WIP are in line with the Accounting Standard 7, as originally introduced in the year 1983 and revised in 2002 with effect from the financial year March 31, 2004.

(ii) Revenue is recognised on the basis of agreed price between the client and the company for various items of work done.

(iii) Cost incurred is recognised in the Accounts for the items of work done in the year of recognition of revenues.

Expenditure incurred on construction aids, scaffolding materials, temporary structures, comprising items used at construction sites, are charged off to the revenue at the end of each financial year on the following basis:

Physical count and on the ascertainment of balance useful life of such items.

(iv) Stage / Percentage of completion is determined with reference to certificates given by the clients / management and as well on the billing schedule agreed with them, for the value of work done during the year.

b) Sale of Ready Mix Concrete:

Sales exclude applicable Sales Tax and net of discounts.

c) Service Income from Designs:

Service Income from designing charges excludes applicable Service Tax and net of discounts.

d) Dividend on Investments is accounted on the basis of declaration of dividends by the respective companies.

e) Interest income is recognized using the time proportion method.

11. Retirement benefits:

Provident fund is a defined contribution plan for which contribution accruing during the year as per the scheme is expensed.

a) Superannuation and Gratuity Schemes are defined contribution plans, which are funded with L.I.C. of India, and the contribution to the fund is expensed.

b) Cash equivalent of privilege leave accrued and not availed by the employees has been provided for in the Accounts towards leave encashment.

12. Taxation:

a) **Current Tax**:

Provision for tax is determined in accordance with the tax laws as existing at present.

Further the company, based on the legal opinion specifically obtained in this regard from the Solicitors, has excluded the value of retention money from the Revenue while computing the current tax for the year ended March 31, 2006 & March 31, 2007.

b) **Fringe Benefit Tax**:

Provision for FBT is determined in accordance with Chapter XII – H to Income Tax Act, 1961, read with the relevant rules, circulars & notifications issued from time to time.

c) **Deferred Tax**:

Provision has been reckoned towards Deferred tax liabilities, as set out in Accounting Standard 22.

13. Foreign currency transactions:

The Company has adopted Accounting Standard AS 11 (Revised 2003) in respect of Foreign Currency transactions.

All exchange differences arising on settlement/conversion of foreign currency transactions are included in the profit and loss account, except in cases where they relate to the acquisition of fixed assets, where they are adjusted in the cost of the corresponding asset.

14. Deferred Revenue Expenditure:

Deferred revenue expenditure comprising the cost incurred for Interior works done at various offices of the company and as well the contribution to the specific trust for the Stock Option Scheme (ESOP) is decided to be amortized over a period of 3 years.

15. Joint Ventures:

(i) The company pursuant to separate deeds of partnership has become a partner in two joint venture partnership firms [JV(s)], Yuga Developers and Yuga Builders for the purpose of carrying on the development of housing complex, the details of which are set out hereunder

Name of the JV / Partnership Firms	Percentage of ownership / Interest	Details of Registration	Amount Invested / advanced as at 31.03.2007 (Rs. In Millions)
YUGA DEVELOPERS	25%	Registered under the Indian Partnership Act, 1932, 18.07.2005 (Deed of Partnership dated 11.07.2005)	As Share Capital – 1.25
YUGA BUILDERS	50%	Registered under the Indian Partnership Act, 1932, 11.12.2006 (Deed of Partnership dated 30.11.2006)	As Share Capital – 0.50 As Advances – 43.00

(ii) As the projects undertaken by both the joint venture partnership firms are in the initial stages of their progress the requirement of reckoning profit/loss did not arise. As such no profit & loss account has been prepared for either of the partnership firms.

(iii) The Audited Accounts of these joint venture partnership firms [JV(s)] have been consolidated with the company's accounts by means of proportionate consolidation method, as set out in AS 27.

16. Others:

a) **Trade Licence Fee**:

The company has entered into an understanding with a partnership firm, Samruddhi holdings in the year 1997 for the usage, assignment of name, logo and trademark on payment of certain licence fee, mutually agreed upon.

Inline with the said understanding, the corresponding liability towards the licence fee has arisen in the financial year 2005-06 and accordingly provided for in the Accounts.

b) Income representing technical fee due from Trade Line LLC, Dubai, UAE pursuant to the Memorandum of Understanding entered into with them have been reckoned in financial year ended March 31, 2007.

c) Previous year's figures have been regrouped / consolidated wherever applicable / required and furnished accordingly.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page xi of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. The following discussion relates to our Company and is based on our restated consolidated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards referred to in Section 211(3C) of the Companies Act and the other applicable legal provisions. The following discussion is also based on internally prepared statistical information and on publicly available information.

Overview

We are a provider of integrated turn-key construction services and have executed or are executing projects across 17 states and union territories in India. We provide integrated turn-key construction services in the industrial, commercial, infrastructure and residential sectors of the construction industry. Our integrated turn-key construction services include a range of (i) construction services such as construction design, engineering, procurement, construction and project management and (ii) construction allied services such as mechanical and electrical ("M&E"), plumbing, fire-fighting, heating, ventilation and air conditioning, interior fit-out services and glazing solutions. We provide these services either directly, through our Subsidiaries, Consolidated Interiors Limited and Noble Consolidated Glazings Limited or in certain cases through third parties.

Our Company was incorporated in 1997 in Chennai by our Promoters, four of whom have over 20 years experience each in the construction sector. Since completing our first project, a temple in Tamil Nadu in 1998, we have executed 334 projects, comprising of 104 industrial projects, 172 commercial projects, 14 infrastructure projects, and 44 residential projects across 14 states and union territories in India. The built up area of the projects constructed by us aggregates approximately 19.0 million sq.ft. comprising of 3.84 million sq.ft. in the industrial sector, 12.68 million sq.ft. in the commercial sector, and 2.48 million sq.ft. in the residential sector. Our projects include factories, residential and commercial buildings, hospitals, hotels, power plants and structures in the infrastructure sector such as water tanks, water supply schemes and bridges. We have regional offices in Chennai, Bangalore, Hyderabad, Delhi, Pune and Kolkata.

As of July 31, 2007 we were executing 146 projects across various states in India of which we are yet to commence construction on ten projects. These projects involved the proposed construction of 4.57 million sq.ft. of industrial space, 17.96 million sq.ft. of commercial space, and 0.55 million sq.ft. of residential space.

As of July 31, 2007, the total value of our order book is Rs. 20,495.68 million. These projects include industrial structures, IT parks, commercial building, airport terminal buildings, hotel, hospitals and educational institutions. Our order book consists of (i) unbilled portions of our ongoing projects and (ii) projects for which we have received orders and are yet to commence construction.

As of August 31, 2007, out of the 500 orders received by us so far (including ten orders received by us since August 1, 2007), 185 have been placed by clients for whom we have executed projects in the past.

We have constructed structures for a variety of private and public sector clients. Our private sector clientele operate in diverse sectors such as IT / ITES, hospitals, hospitality, pharmaceuticals, education, hospitality, manufacturing, retail, malls and multiplexes. Our clients include Infosys Technologies Limited, Ascendas IT Park (Chennai) Limited, Khivraj Technology Park Private Limited, Manipal University, Airport Authority of India Limited, Hi-Tech Carbon (a unit of Aditya Birla Nuvo Limited) and the Infosys Foundation.

Our public sector clients include the AAI and public utility works like power distribution entities and water supply boards.

We have demonstrated the ability to providing engineering services in the field of pre-fabricated buildings including pre cast and pre stressed concrete structures as well as pre fabricated steel structures while servicing our clients.

Some of the prominent projects successfully completed by us include:

- A 10,000 square meter large span prayer hall at Sringeri, using a combination of *in situ* pre cast and large exposed concrete technologies.

- A meditation hall for the Art of Living Foundation at Bangalore.
- A dome structure with a 53 meter diameter for Infosys Technologies Limited in Hyderabad.
- Two parabolic shell structures, each 28 meter wide for Infosys Technologies Limited at Bangalore.
- The 1.8 million sq. ft. Olympia Tech Park for Khivraj Tech Park Private Limited in Chennai. This structure is a gold rated green building and has been awarded the World's Largest Green Building award by LEED, USA.
- Platinum rated green building at the CII-Godrej Green Business Centre in Hyderabad.
- Large pre cast shell units, pre cast folded plates, pre stressed and pre fabricated girders, wall panels and buildings for industrial sheds for various clients.
- Pre fabricated large span portal structure for Intimate Fashions Limited in Chennai.

Some of our prominent ongoing projects include:

- Construction of software development buildings at Mangalore, Bangalore, Bhubaneswar, Chandigarh and construction of hostel facilities at Mysore for Infosys Technologies Limited including provision of .M&E services
- Construction of airport terminal buildings at Thiruchirapalli and Thiruvananthapuram airports.
- Construction of integrated medical campus consisting of hospital, medical college and hostel facilities at Puducherry.
- Construction of industrial facilities on a turn-key basis for a telecommunications special economic zone unit near Chennai.
- Construction of IT park in Chennai with waffle slabs for the parking area.

We provide our services through a concentric integration model which enables us to execute projects from the stage of their design and conceptualization to their completion using a combination of third party suppliers or service providers and in-house resources. To this end, we have developed an in-house software based design capability through our division Ugasoft, developed the ability to provide M&E, HVAC and plumbing services through our M&E division, developed the ability to provide interior fit-out services through our subsidiary Consolidated Interiors Limited and have developed the infrastructure to produce ready mixed concrete and building blocks through our building products division, and the capability to provide glazing and aluminium fabrication services through our Subsidiary, Noble Consolidated Glazings Limited.

Our concentric integration model seeks to ensure that products and services required for execution of our projects meet our quality and delivery standards. This model also seeks to minimize our dependency on third party suppliers for certain key products and services required in the process of execution of our projects.

Our revenues (including other income) have grown from Rs. 1,602.36 million in Fiscal 2004 to Rs. 8,683.71 million in Fiscal 2007, which is a CAGR of 76% and our profit after tax has increased from Rs. 41.20 million in Fiscal 2003 to Rs. 476.77 in Fiscal 2007, which is a CAGR of 126%.

The table below provides a breakdown of our contract revenue from different project segments during Fiscal 2007, 2006, 200 and 2004.

Business category	**Fiscal 2007**		**Fiscal 2006**		**Fiscal 2005**		**Fiscal 2004**	
	Contract Revenue	**Percentage (%)**	**Contract Revenue**	**Percentage (%)**	**Contract Revenue**	**Percentage (%)**	**Contract Revenue**	**Percentage (%)**
Industrial	2,890.52	33.48	1,126.17	26.48	589.13	19.24	307.30	19.25
Commercial	5,047.67 [1]	58.47	2,642.79	62.15	2,074.19	67.75	979.82	61.39
Infrastructure	150.49	1.74	7.93	0.19	65.63	2.14	17.56	1.10
Residential	276.71	3.21	303.51	7.14	324.83	10.61	291.36	18.26
Building Products	268.00	3.10	171.77	4.04	7.94	0.26	-	-
Total	**8,633.39**	**100.00**	**4,252.17**	**100.00**	**3,061.72**	**100.00**	**1,596.04**	**100.00**

1 includes a revenue of Rs. 136.57 million from Consolidated Interiors Limited.

The following table details our revenues in Fiscal 2007, 2006 and 2005 against geographies:

(Rs. in millions)

Geography	Fiscal		
	2007	2006	2005
East	81.13	31.02	-
South	7,961.92 [1]	3,733.96	2,834.22
West	46.07	-	0.02
North	542.38	485.28	227.48
Domestic	8,631.50	4,250.26	3,061.72
International	1.89	1.91	-
Total	**8,633.39**	**4,252.17**	**3,061.72**

1 includes a revenue of Rs. 136.57 million from Consolidated Interiors Limited.

While a substantial portion of our revenues arise from projects located in the South of India, we have established regional offices in the east and west of India in Fiscal 2007.

As of August 31, 2007, we have over 2,680 employees of which approximately 2,135 are qualified engineers or diploma holders. We own and operate construction infrastructure, including equipment like staging and shuttering material, high capacity concrete batching plants, tower cranes, concrete pumps and rotary rigs which have enabled us to leverage our construction experience to execute large and complex construction projects.

We are an ISO 9001:2000 certified Company. Some of our notable awards include the ICI-Birla Super Award for "outstanding open concrete structures for the corporate office building for Reserve Bank Note Mudran Private Limited", the "Employee Employer relationship" from the Rotary Club of Madras, Chena Patna and the "Par Excellence" award from the Builders Association of India. We have also received a souvenir from Infosys Technologies Limited in 2000 for our contribution in constructing Infosys City, Bangalore. Further, in 2001, we have received recognition from Infosys Technologies Limited for our outstanding contribution to the creation of its Software Development Center at Mangalore.

Factors affecting our results of operations

Our financial condition and results of operations are affected by numerous factors and the following are of particular importance:

a) Our ability to complete fixed price, fixed cost contracts in accordance with timelines and within budget despite changes in scope, schedule and irregular recoveries of payments from our clients.

b) Our ability to maintain our profitability in the event of increases in the price or availability of raw materials, labour or other inputs.

c) Our ability to manage our working capital requirements to enable the execution of our projects

d) Our ability to compete with larger, more experienced competitors in a competitive bidding scenario

e) Our ability to anticipate and manage changes or shortages in the supply of skilled or unskilled labour or technology and continue to operate our business

f) Change in the regulatory framework / Government policies with respect to the Construction Industry.

g) Increasing competition and the conditions of our clients, suppliers and the construction industry; and

h) Natural calamities including earthquake, flood, fire and drought in India resulting in an impact on the economy.

i) General economic and business conditions in India;

j) Our ability to successfully implement our strategy;

k) Changes in the value of the Rupee and other currency changes;

l) Changes in political conditions in India.

See "Risk Factors" and "Our Industry" on page xi and page 57, respectively.

Significant Accounting Policies

Basis of preparation:

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India, including the Mandatory Standards on Accounting issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Act.

Fixed assets:

Fixed assets are stated at cost less accumulated depreciation and impairment losses where applicable. Cost comprises purchase price and all direct / indirect costs incurred to bring the asset to its working condition for its intended use.

Depreciation:

Depreciation on Fixed Assets has been provided under Written down Value Method at the rates specified in Schedule XIV to the Companies Act, 1956 or at the rates based on Management's estimate of the useful life of such assets, whichever is higher. Such items of higher depreciation applied are as under:

For office equipments	- 40%
Temporary structures/interiors	- 20%

Investment:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on individual investment basis.

Long-term investments are carried at cost. Provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Revenue recognition:

Construction Contracts:

The Revenue Recognition vis-à-vis valuation of contract WIP are inline with the Accounting Standard 7, as originally introduced in the year 1983 and revised in 2002 with effect from the financial year March 31, 2004.

Revenue is recognised on the basis of agreed price between the client and the company for various items of work done.

Cost incurred is recognised in the Accounts for the items of work done in the year of recognition of revenues.

Expenditure incurred on construction aids, scaffolding materials, temporary structures, comprising items used at construction sites, are charged off to the revenue at the end of each financial year on the following basis:

Physical count and on the ascertainment of balance useful life of such items.

Stage / Percentage of completion are determined with reference to certificates given by the clients / management and as well on the billing schedule agreed with them, for the value of work done during the year.

Sale Of Ready Mix Concrete:

Sales exclude applicable Sales Tax and net of discounts.

Service Income From Designs:

Service Income from designing charges excludes applicable Service Tax and net of discounts.

Dividend on Investments:

Dividend on Investments is accounted on the basis of declaration of dividends by the respective companies.

Interest income:

Interest income is recognized using the time proportion method.

Retirement benefits:

Provident fund is a defined contribution plan for which contribution accruing during the year as per the scheme is expensed.

Superannuation and Gratuity Schemes are defined contribution plans, which are funded with L.I.C. of India, and the contribution to the fund is expensed.

Cash equivalent of privilege leave accrued and not availed by the employees has been provided for in the Accounts towards leave encashment.

Taxation:

Current Tax:

Provision for tax is determined in accordance with the tax laws as existing at present.

Further the company, based on the legal opinion specifically obtained in this regard from the Solicitors, has excluded the value of retention money from the Revenue while computing the current tax for the years ended 31.3.2006 & 31.3.2007.

Fringe Benefit Tax:

Provision for FBT is determined in accordance with Chapter XII – H to Income Tax Act, 1961, read with the relevant rules, circulars & notifications issued from time to time.

Deferred Tax:

Provision has been reckoned towards Deferred tax liabilities, as set out in Accounting Standard 22.

Foreign currency transactions:

The Company has adopted Accounting Standard – 11 (Revised 2003) in respect of Foreign Currency transactions.

All exchange differences arising on settlement/conversion of foreign currency transactions are included in the profit and loss account, except in cases where they relate to the acquisition of fixed assets, where they are adjusted in the cost of the corresponding asset.

Deferred Revenue Expenditure:

Deferred revenue expenditure comprising the cost incurred for Interior works done at various offices of the company and as well the contribution to the specific trust for the Stock Option Scheme (ESOP) are decided to be amortized over a period of 3 years.

Others:

Trade License Fee: The company has entered into an understanding with a partnership firm, Samruddhi holdings in the year 1997 for the usage, assignment of name, logo and trademark on payment of certain license fee, mutually agreed upon.

Inline with the said understanding, the corresponding liability towards the license fee has arisen in the financial year 2005-06 and accordingly provided for in the Accounts.

Income representing technical fee due from Trade Line LLC, Dubai, UAE pursuant to the Memorandum of Understanding entered into with them have been reckoned in financial year ended March 31, 2007.

Joint Ventures:

The company pursuant to separate deeds of partnership has participated in two separate partnership firms viz., Yuga Developers and Yuga Builders for the purpose of carrying on the development of housing complex.

As these projects are both in the initial stages of their progress and as well no profits/revenues could be reckoned in line with Accounting Standard – 9, the investments into these ventures are shown under investments vide Accounting Standard – 13 read with requirements of Accounting Standard – 27 .

Details of Disclosure to the extent applicable:

Name of the JV / Partnership Firms	Percentage of ownership / Interest	Details of Registration	Amount Invested / advanced as at 31.03.2007 (Rs. In Millions)
Yuga Developers	25%	Registered under the Indian Partnership Act, 1932, 18.07.2005 (Deed of Partnership dated 11.07.2005)	As Share Capital – 1.25
Yuga Builders	50%	Registered under the Indian Partnership Act, 1932, 11.12.2006 (Deed of Partnership dated 30.11.2006)	As Share Capital – 0.50 As Advances – 43.00

Previous year's figures have been regrouped / consolidated wherever applicable / required and furnished accordingly.

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

Order Book

Our Order Book consists of (i) unbilled portions of our ongoing projects and (ii) projects for which we have received orders and are yet to commence construction. For the purposes of this section, the term "order book" shall include orders booked with us as well as with our Subsidiaries Consolidated Interiors Limited.

While our order book is indicative of the projects that will execute in the future and is also indicative of the revenues that may be generated from such projects, the orders in our order book may not fructify as they are subject to cancellation and modification by our clients. For risks associated with treating our Order Book as being indicative of our future growth and revenues, refer to the risk factors titiled "Our profitability and results of operations may be adversely affected in the event of increases in the prices of raw materials, sub contracting costs, and costs of consumables and spares or other inputs, or a delay in the supply of raw materials or said inputs" on page xi, "A significant portion of our revenues and order book are concentrated in the IT/ITES sector" on page xix and "a significant portion of our revenues and order book are concentrated in South India on page xxi"

As of July 31 ,2007, the total value of the projects that we are currently constructing less the portion of the order accounted by us towards revenues is Rs. 14,911.83 million and for those for which we have received orders on which we are yet to commence construction is Rs. 5,583.85 million. As of July 31, 2007, the total value of our order book is Rs. 20,495.68 million.

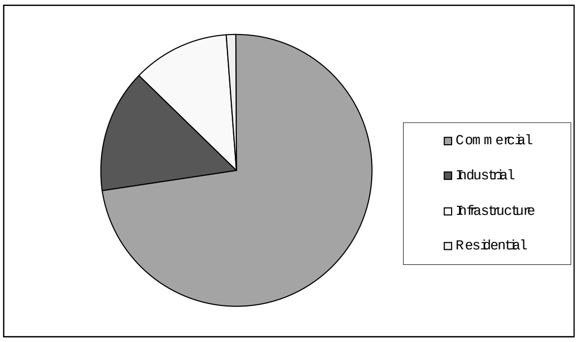
The following table sets forth the value of our order book as of July 31, 2007, March 31, 2007, 2006 and 2005:

(Rs. in millions)

	As of July 31, 2007	As of March 31, 2007	As of March 31, 2006	As of March 31, 2005
Industrial sector	3,008.58	3,337.89	1,253.18	482.08
Commercial sector	14,860.20	12,603.26	5,172.34	1,720.69
Infrastructure sector	2,426.47	1,733.93	0.19	8.13
Residential sector	200.43	293.03	198.32	387.42
TOTAL	**20,495.68**	**17,968.11**	**6,624.03**	**2,598.32**

Segment Composition of Order Book

As of July 31, 2007, the total value of our order book was Rs. 20,495.68 million. The graph below indicates the division of our order book between our business segments:



Composition of Order Book based on services

The following table sets forth the distribution of the order book based on services as on July 31, 2007:

Services	Rs in Million	Percentage (%)
Construction	17,032.69	**83.10%**
M&E	2,230.49	**10.88%**
Interiors	692.64	**3.38%**
Glazing	539.86	**2.63%**
Total	**20,495.68**	*100.00%*

1 Includes orders booked with Consolidated Interiors Limited

Geographical Composition of Order Book

The following table sets forth the geographical distribution of the order book as on July 31, 2007:

Geography	Rs in Million	Percentage (%)
East	58.87	0.29
North	1,121.38	5.47
South	18,958.42	92.50
West	357.01	1.74
Total	**20,495.68**	***100.00***

Order inflow

Order inflow represents the value of the orders received during a particular Fiscal. The following table sets forth the average order value per project and the number of projects for the respective fiscal years based on order inflow for the respective fiscal years:

	Fiscal 2007			Fiscal 2006			Fiscal 2005		
Business category	**Number of projects (a)**	**Order inflow (b) [1]**	**Average order value (b/a) [1]**	**Number of projects (a)**	**Order inflow (b) [1]**	**Average order value (b/a) [1]**	**Number of projects (a)**	**Order inflow (b) [1]**	**Average order value (b/a) [1]**
Industrial	38	4,975.23	130.93	28	1,897.28	67.76	18	684.07	38.00
Commercial	61	12,227.39	200.45	47	6,081.50	129.39	33	2,470.35	74.86
Infrastructure	4	1,884.22	471.06	-	-	-	1	67.85	67.85
Residential	3	371.42	123.81	2	114.40	57.20	9	500.37	55.60
Total	**106**	**19,458.26**	**183.57**	**77**	**8,093.18**	**105.11**	**61**	**3,722.64**	**61.03**

1-Rs in million

The following table sets forth the break up of order inflow based on geography for the respective fiscal years:

Business category	Fiscal 2007		Fiscal 2006		Fiscal 2005	
	Number of Projects	**Order inflow (Rs million)**	**Number of Projects**	**Order inflow (Rs million)**	**Number of Projects**	**Order inflow (Rs million)**
East	1	92.30	3	94.27	-	0
South	94	17,844.21	69	7,308.31	58	3,461.64
West	2	525.30	-	0	-	0
North	9	996.45	5	690.60	3	261.00
Total	**106**	**19,458.26**	**77**	**8,093.18**	**61**	**3,722.64**

Relationship orders

Relationship orders represents the order inflow from clients for whom we have executed orders in the past. The table below sets forth the order inflow from clients from whom we have executed projects in the past for the respective fiscal years:

Business category	Fiscal 2007		Fiscal 2006		Fiscal 2005	
	Number of Projects	**Order inflow (Rs million)**	**Number of Projects**	**Order inflow (Rs million)**	**Number of Projects**	**Order inflow (Rs million)**
New client	66	9,673.64	44	4,485.68	32	1,845.86
Relationship clients	40	9,784.62	33	3,607.51	29	1,876.79
Total	**106**	**19,458.27**	**77**	**8,093.19**	**61**	**3,722.65**

Revenues

Our revenues, referred to in our financial statements as total income, consist principally of (i) contract revenue and (ii) other income.

Our contract revenue consists of contract revenue from engineering, procurement and construction services provided to our clients and revenues from our construction allied services including revenues from sales of ready mixed concrete by our building products division and revenue arising from design charges charged by our design division as well as revenues from increase or decrease of contract work in progress.

We have other additional sources of income, such as (i) interest on term deposits and securities, (ii) dividends from long term investments and (iii) profits on the sale of investments and fixed assets. Our other income has increased from Rs. 4.32 million in Fiscal 2003 to Rs. 50.32 million in Fiscal 2007, primarily due to increased interest received and accrued on deposits kept as margin monies arising due to increased order bookings and contract revenue.

The table below provides a breakdown of our total income in the Fiscal years 2007, 2006 and 2005.

(Rs. in millions)

	Fiscal		
	2007	**2006**	**2005**
TOTAL INCOME:			
Contract revenue	8633.39 [1]	4252.17	3061.72
Contract revenue as a% of Total Income	99.42%	99.71%	99.79%
Other Income	50.32[2]	12.37	6.33
Other income as a% of Total Income	0.58%	0.29%	0.21%
Total Income	**8683.71**	**4264.54**	**3068.05**

1 includes a revenue of Rs. 136.57 million from Consolidated Interiors Limited.

2 includes income of Rs. 0.02 million from Consolidated Interiors Limited.

The table below provides a breakdown of our contract revenue from different project segments during Fiscal 2007, 2006, 2005 and 2004.

Business category	**Fiscal 2007**		**Fiscal 2006**		**Fiscal 2005**		**Fiscal 2004**	
	Contract Revenue	**Percentage (%)**	**Contract Revenue**	**Percentage (%)**	**Contract Revenue**	**Percentage (%)**	**Contract Revenue**	**Percentage (%)**
Industrial	2,890.52	33.48	1,126.17	26.48	589.13	19.24	307.30	19.25
Commercial	5,047.67 [1]	58.47	2,642.79	62.15	2,074.19	67.75	979.82	61.39
Infrastructure	150.49	1.74	7.93	0.19	65.63	2.14	17.56	1.10
Residential	276.71	3.21	303.51	7.14	324.83	10.61	291.36	18.26
Building Products	268.00	3.10	171.77	4.04	7.94	0.26	-	-
Total	**8,633.39**	**100.00**	**4,252.17**	**100.00**	**3,061.72**	**100.00**	**1,596.04**	**100.00**

1 includes a revenue of Rs. 136.57 million from Consolidated Interiors Limited.

The table below provides a breakdown of our contract revenue by geographic region during the years Fiscal 2007, 2006, 2005 and 2004.

Business category	Fiscal 2007		Fiscal 2006		Fiscal 2005		Fiscal 2004	
	Contract Revenue	Percentage (%)	Contract Revenue	Percentage (%)	Contract Revenue	Percentage (%)	Contract Revenue	Percentage (%)
East	81.13	0.94	31.02	0.73	-	-	4.01	0.25
South	7,961.92 [1]	92.24	3,733.96	87.81	2,834.22	92.57	1,520.16	95.25
West	46.07	0.53	-	-	0.02	0.00[2]	0.33	0.02
North	542.38	6.28	485.28	11.41	227.48	7.43	71.54	4.48
Domestic	**8,631.50**	**99.98**	**4,250.26**	**99.96**	**3,061.72**	**100.00**	**1,596.04**	**100.00**
International	1.89	0.02	1.91	0.04	-	-	-	-
Total	**8,633.39**	**100.00**	**4,252.17**	**100.00**	**3,061.72**	**100.00**	**1,596.04**	**100.00**

1 includes a revenue of Rs. 136.57 million from Consolidated Interiors Limited.

2 Less than 0.01.

Expenditure

Our total expenditures consist principally of our operating expenses, employee costs, sales and administrative expenses, interest, depreciation and preliminary and miscellaneous expenditure written off.

Our operating expenses consist of expenses incurred towards (i) construction materials including steel, cement, timber, wood, bricks, building blocks and (ii) sub-contracting charges (iii) consumables, stores, spares and tools including water charges (iv) packing and forwarding, (v) power and fuel for our construction equipment and projects (vi) temporary structures and scaffolding (vii) charges for hire of equipment and infrastructure and (viii) repairs of equipment and machinery.

We execute projects for our clients under various contracting terms. Under the said contracts, the major materials that are required by us for the execution of our projects may be:

Supplied by our clients free of cost

Supplied by our clients, with costs recoverable at an agreed price

Supplied by us

At a fixed cost

At a variable cost subject to market fluctuation

At a variable cost in accordance with agreed upon indices.

The above forms of contract may materially affect our expenses in relation to our individual projects.

Employee Costs comprise of salaries, wages and bonus payments to employees on our payroll, Directors' remuneration, contributions made to provident funds and employees' state insurance and expenses relating to personnel and staff welfare.

Sales and general administrative expenses including rent, sales and promotion expenses, trade license fees, bank charges, communication expenses, printing and stationery expenses, expenses towards buildings repairs and maintenance, insurance charges, travelling and conveyance charges, fees and taxes paid, consultancy and professional charges paid, auditor's remuneration, and other miscellaneous administrative expenses.

Preliminary expenditure written off includes expenses incurred by the Company and its Subsidiary CIL at the time of formation, which are being written off in equal yearly amounts over a period of ten years. Miscellaneous expenditure represents expenses incurred on raising capital from private equity investors which are being written off in equal yearly amounts over a period of four years.

Interest include (i) interest payable on term loans and working capital loans and interest payable on vehicle and equipment financing by banks and financial institutions, (ii) interest payable on mobilization advances and other advances received from clients and (iii) interest paid to suppliers.

Depreciation. Depreciation of fixed assets is charged on a written-down value basis, at the rates specified in Schedule XIV of the Companies Act or at the rates based on Management's estimate of the useful life of such assets, whichever is higher. On this basis, office equipments and temporary structures/interiors are depreciated at 40% and 20% respectively based on the management's estimate of their useful life.

The table below provides line items from our consolidated statement of profits and losses, as restated, for the Fiscal years 2007, 2006, 2005, 2004 and 2003. It incorporates statements of profits and losses for our Subsidiary Consolidated Interiors Limited for the period beginning April 20, 2006 and ending March 31, 2007.

(Rs. In millions)

	Year ended March 31,				
	2007	**2006**	**2005**	**2004**	**2003**
Total Income					
Contract Revenue	8,633.39	4,252.17	3,061.72	1,596.04	1,256.15
Other Revenue	50.32	12.37	6.33	6.32	4.32
Operating Expense	7,131.17	3,489.54	2,678.34	1,390.84	1,095.93
Operating expense as a% of Total Contract Revenue	82.60	82.06	87.48	87.14	87.25
Operating expense as a% of Total Income	82.12	81.83	87.30	86.80	86.95
Employee Cost	402.01	220.83	119.45	62.21	55.48
Sales and Administrative Expenses	400.12	203.86	115.47	70.32	47.21
Employee Cost, Sales and Administrative expenses as a% of Total Income	9.24	9.96	7.66	8.27	8.15
EBITDA	750.41	350.31	154.79	78.99	61.85
EBITDA as a% of Total Income	8.64	8.21	5.05	4.93	4.91
Depreciation	36.34	18.98	9.58	6.00	4.92
Depreciation as a% of Total Income	0.42	0.45	0.31	0.37	0.39
Interest	68.79	40.58	18.89	8.42	6.63
Interest as a% of Total Income	0.79	0.95	0.62	0.53	0.53
Preliminary / Miscellaneous Expenditure to the extent written off	3.68	0.32	0.02	0.02	0.02
Profit before Tax (PBT)	641.60	290.43	126.30	64.55	50.28
PBT as a% of Total Income	7.39	6.81	4.12	4.03	3.99
Provision for Tax					
Current tax	(71.99)	(24.44)	(44.50)	(22.50)	(17.70)
Deferred tax	(87.28)	(73.04)	(1.99)	(0.85)	(1.01)
FBT	(5.56)	(3.09)	-	-	-
Profit After Tax (PAT)	**476.77**	**189.86**	**79.81**	**41.20**	**31.57**
PAT as a% of Total Income	5.49	4.45	2.60	2.57	2.50

Our total expenditures for the years ended March 31, 2007, 2006, 2005, 2004 and 2003 were Rs. 8,042.11 million, Rs. 3,974.11 million, Rs. 2,941.75 million, Rs.1,537.81 million and Rs. 1,210.19 million, respectively. As a percentage of our total income, these costs for such periods were 92.61%, 93.19%, 95.88%, 95.97% and 96.01%, respectively.

Increase / (Decrease) in Work in Progress

Work in progress comprises of the value of work done certified and value of work done yet to be certified as completed, by the clients. Work in progress is valued in conformity with AS 7.

For the years ended March 31, 2007, 2006, 2005, 2004 and 2003 the increase/(decrease) in contract work in progress accounted for 79.20%, 21.93%, 68.29%, 42.11% and 47.18% of our contract revenue, respectively.

(Rs. In millions)

	Year ended March 31,				
	2007	2006	2005	2004	2003
Increase/(Decrease) in contract work in Progress	6,837.39	932.53	2,090.95	672.03	592.61

Results of Operations

Due to the nature of projects undertaken by us, their completion schedules, the nature of expenditure involved in a particular project, the specific terms of the contract, including payment terms, and the other factors that affect our income and expenditures on specific projects, our results of operations may vary from period to period.

Fiscal year ended March 31, 2007 compared with Fiscal year ended March 31, 2006

During the twelve-month period ended March 31, 2007, we were engaged in and commenced work on a number of significant projects, including construction of integrated medical campus consisting of hospital, medical college and hostel facilities at Puducherry, construction of industrial facilities on a turnkey basis for a Telecom SEZ near Chennai, construction of hostel facilities at Mysore including M & E and Interior services for Infosys Technologies Limited, construction of IT SEZ near Chennai for Hexaware Technologies Limited, construction of New Terminal building at Trichy Airport.

Income. Total income increased by Rs. 4,419.17 million, or 103.63%, from Rs. Rs. 4,264.54 million in Fiscal 2006 to 8,683.71 million in Fiscal 2007. This was primarily due to increased contract revenue and other income and income from our Subsidiary Consolidated Interiors Limited which amounted to Rs. 136.5 million.

Contract revenue. Our contract revenue increased by Rs. 4,381.22 million, or 103.03%, from 4,252.17 million in Fiscal 2006 to Rs. 8,633.39 million in Fiscal 2007. This was primarily due to the buoyancy noticed in the manufacturing and services sector which is reflected in the growth in business and order inflow under industrial and commercial sectors of the business coupled with the additional investments noticed in the infrastructure sector and contract revenue from our Subsidiary Consolidated Interiors Limited which amounted to Rs. 136.57 million. Further the additional impetus for establishing SEZ's has also resulted in a spurt in construction activities. The company was able to capitalise on the above opportunities and win large value contracts by reason of its meeting the requisite prequalification criteria to bid for and execute such contracts.

Other Income. Our other income increased by Rs. 37.95 million, or 306.79%, from Rs. 12.37 million in Fiscal 2006 to Rs. 50.32 million in Fiscal 2007. This was primarily due to increase in interest income arising out of higher amount of monies placed in interest bearing deposits for margin money with the Banks and interest received from deposits made out of monies received through private placement of equity shares till they were utilised and other income from our Subsidiary Consolidated Interiors Limited and amounted to Rs. 0.02 million.

With the increase in the volume of business, our requirement for non funded facilities has increased which has necessitated deposits for margin money.

Expenditure. Our expenditure increased by Rs. 4,068.00 million, or 102.36%, from Rs. 3,974.11 million in Fiscal 2006 to Rs. 8,042.11 million in Fiscal 2007. This was primarily due to increased level of operations and expenditure incurred by our Subsidiary Consolidated Interiors Limited which amounted to Rs. 113.61 million.

Operating expenses. Our operating expenses increased by Rs. 3,641.63 million, or 104.36%, from Rs. 3,489.54 million in Fiscal 2006 to Rs. 7,131.17 million in Fiscal 2007. This included an increase of Rs. 93.01 attributable towards operating expenses of our Subsidiary CIL. The increase in our operating expenses was primarily due to incremental costs incurred on procurement of raw materials due to an increase in the cost of input materials which was absorbed by the company and hire charges paid for equipments taken for completion of the projects. The company in the current year stands partially insulated on account of material cost increases as our Order Book comprises of approximately 80% of the jobs on which the material cost escalation is covered by free supplies / material recovery / escalation clause. As a percentage of our contract revenue, our operating expenses increased slightly from 82.06% in Fiscal 2006 to 82.60% in Fiscal 2007.

Employee cost: Our employee cost increased by Rs.181.18 million, or 82.05%, from Rs. 220.83 million in Fiscal 2006 to Rs.402.01 million in Fiscal 2007. This included an increase of Rs. 10.96 million attributable towards employee costs in our Subsidiary CIL. This was primarily due to increase in the employee strength from 1,423 as of March 31, 2006 to 2,055 as of March 31, 2007 including 55 employees in our Subsidiary Consolidated Interiors Limited, coupled with the revision salary for our employees.

Sales and Administrative expenses. Our sales and administrative expenses increased by Rs. 196.26 million, or 96.27%, from Rs. 203.86 million in Fiscal 2006 to Rs. 400.12 million in Fiscal 2007, which included an increase of Rs. 9.64 million attributable towards sales and administrative expenses in our Subsidiary CIL. This was due to expenditure on account of rent for temporary accommodations taken to house our staff on account of increased job sites. Rates and taxes have also gone up on account of increased volume of business. Bank charges have also increased on account of higher bank guarantees issued during the year due to incremental order inflows and contract revenue. Insurance coverage for additional sites resulted in incremental insurance costs. As percentage of total income, administrative expenses decreased marginally from 4.78% to 4.61%.

Depreciation. Depreciation charges increased by Rs.17.36 million, or 91.46%, from Rs. 18.98 million in Fiscal 2006 to Rs. 36.34 million, which included an increase of Rs. 0.81 million attributable to depreciation expenses in our Subsidiary CIL in Fiscal 2007 due to additions to fixed assets (excluding capital work in progress) totalling to Rs 197.27 million during the year apart from land. As percentage of total income, depreciation decreased marginally from 0.45% to 0.42%.

Interest: Expenditure on account of interest charges increased by Rs. 28.21 million, or 69.52%, from Rs.40.58 million in Fiscal 2006 to Rs.68.79 million in Fiscal 2007. This was principally due to the incurrence of increased interest payments on additional financing for our working capital needs. Our outstanding working capital loan has increased from Rs. 0.28 million at the end of Fiscal 2006 to Rs.962.45 million at the end of Fiscal 2007. As percentage of total income, interest decreased marginally from 0.95% to 0.79%.

Profit before tax. Profit before tax increased by Rs. 351.17 million, or 120.91%, from Rs. 290.43 million in Fiscal 2006 to Rs.641.60 million in Fiscal 2007, which included an increase of Rs. 22.13 million attributable to the profit before tax of our Subsidiary CIL.

Provision for taxes. Provision for taxes include current tax liabilities. Provision for taxes increased by Rs.64.26 million, or 63.90%, from Rs.100.57 million in Fiscal 2006 to Rs.164.83 million in Fiscal 2007 which included an provision of Rs. 7.83 made with respect to the profits of our Subsidiary CIL.

Profit after tax. For the reasons discussed above, our profit after tax increased by Rs. 286.91 million, or 151.12%, from Rs. 189.86 million in Fiscal 2006 to Rs. 476.77 million in Fiscal 2007, which included an increase of Rs. 14.30 million attributable to the profit after tax of our Subsidiary CIL.

Fiscal year ended March 31, 2006 compared with Fiscal year ended March 31, 2005

During the twelve-month period ended March 31, 2006, we were engaged in and commenced work on a number of significant projects, including construction of biscuit factory at Bangalore for a FMCG Company, construction of factory building at Uttaranchal for a manufacturer of automotive parts , construction of a technology park building at Chennai for Khivraj Tech Park Private Limited, construction of factory building and allied works at Bangalore for a large engineering company, construction of a software development block at Chandigarh and Multi Level Car Parking at Bangalore for Infosys Technologies Limited.

Income. Total income increased by Rs. 1,196.49 million, or 39%, from Rs. 3,068.05 million in the Fiscal year ended March 31, 2005 to Rs. 4,264.54 million in the Fiscal year ended March 31, 2006. This was primarily due to increase in contract revenue.

Contract revenue. Our contract revenue increased by Rs. 1,190.45 million, or 38.88%, from Rs. 3,061.72 million in Fiscal 2005 to Rs. 4,252.17 million in Fiscal 2006. This was primarily due to upswing in the economy with increased construction activity in the southern states where the company has already established good presence and demand for additional office space for IT / ITES organisations resulting in the upsurge in construction activities.

Other Income. Our other income increased by Rs.6.04 million, or 95.42%, from Rs.6.33 million in Fiscal 2005 to Rs.12.37 million in Fiscal 2006. This was primarily due to settlement of insurance claim and amounts received on interest received from deposits made out of monies received through private placement of equity shares till they were utilised.

Expenditure. Our expenditure increased by Rs. 1,032.36 million, or 35.09%, from Rs. 2,941.75 million in Fiscal 2005 to Rs. 3,974.11 million in Fiscal 2006. This was primarily due to increased level of operations .

Operating expenses. Our operating expenses increased by Rs. 811.20 million, or 30.29%, from Rs. 2,678.34 million in Fiscal 2005 to Rs. 3,489.54 million in Fiscal 2006. This was primarily due to increased monies spent on raw materials and sub contracting expenses which commensurated with the increase in the volume of business. As a percentage of our contract revenue, our operating expenses decreased from 87.48% to 82.06%. This was due to better utilisation of resources and payments made to subcontractors based on piece rate system as opposed to hourly rates.

Employee cost. Our employee cost increased by Rs.101.38 million, or 84.87%, from Rs.119.45 million in Fiscal 2005 to Rs. 220.83 million in Fiscal 2006. This was primarily due to an increase in our employee strength from 906 as of March 31, 2005 to 1,423 as of March 31, 2006 coupled with the revision salary for the employees.

Sales and Administrative expenses. Our sales and administrative expenses increased by Rs. 88.39 million, or 76.55%, from Rs. 115.47 million in Fiscal 2005 to Rs. 203.86 million in Fiscal 2006. As percentage of total income, administrative expenses increased marginally from 3.76% to 4.78%. This was due to higher outflows on account of rent due to increase in the number of sites, payment of trade licence fee, bank charges, travelling and conveyance, communication expenses and professional charges which commensurate with the increase in business volumes.

Depreciation. Depreciation charges increased by Rs. 9.40 million, or 98.12%, from Rs. 9.58 million in Fiscal 2005 to Rs. 18.98 million in Fiscal 2006 due to additions to fixed assets totalling to Rs 80.32 million during the year apart from land .

Interest. Expenditure on account of interest charges increased by Rs. 21.69 million, or 114.82%, from Rs. 18.89 million in Fiscal 2005 to Rs 40.58 million in Fiscal 2006. This was principally due to the incurrence of interest payments made on the term loans availed by our company during the Fiscal 2006. Our outstanding term loan has increased from Rs.173.51 million at the end of Fiscal 2005 to Rs.275.17 million at the end of Fiscal 2006.

Profit before tax. Profit before tax increased by Rs.164.13 million, or 129.95%, from Rs. 126.30 million in Fiscal 2005 to Rs. 290.43 million in Fiscal 2006.

Provision for taxes. Provision for taxes includes current tax liabilities. Provision for taxes increased by Rs.54.08 million, or 116.33%, from Rs. 46.49 million in Fiscal 2005 to Rs. 100.57 million in Fiscal 2006.

Profit after tax. For the reasons discussed above, our profit after tax increased by Rs. 110.05 million, or 137.89%, from Rs. 79.81 million in Fiscal 2005 to Rs. 189.86 million in Fiscal 2006.

Fiscal year ended March 31, 2005 compared with Fiscal year ended March 31, 2004

During the twelve-month period ended March 31, 2005, we were engaged in and commenced work on a number of significant projects, including Ascendas Phase I, at Chennai, a software park and office building at Bangalore for a large corporate entity, a Research centre at Hyderabad, Convention Centre for Manipal Academy for Higher Education at Mangalore.

Income. Total income increased by Rs. 1465.69 million, or 91.47%, from Rs. 1,602.36 million in the Fiscal year ended March 31, 2004 to Rs. 3,068.05 million in the Fiscal year ended March 31, 2005. This was primarily due to increase in contract revenues by Rs 1465.68 million.

Contract revenue. Our contract revenue increased by Rs. 1,465.68 million, or 91.83%, from Rs. 1,596.04 million in Fiscal 2004 to Rs. 3,061.72 million in Fiscal 2005. This was primarily due to repeat orders from our clients which contributed approximately 51% of the contract revenue during Fiscal 2005.

Other Income. Our other income increased marginally by Rs. 0.01 million, or 0.16%, from Rs. 6.32 million in Fiscal 2004 to Rs. 6.33 million in Fiscal 2005. This was primarily due to lower interest income on deposits towards margin monies which did not increase in the same proportion as that of the increase in contract revenue. This was on account of number of jobs done during Fiscal 2005 for clients who had entrusted us with projects in the past .

Expenditure. Our expenditure increased by Rs. 1,403.94 million, or 91.29%, from Rs. 1,537.81 million in Fiscal 2004 to Rs. 2,941.75 million in Fiscal 2005. This was primarily due to increase in operating expenses on account of increased contract revenues.

Operating expenses. Our operating expenses increased by Rs. 1,287.50 million, or 92.57%, from Rs. 1390.84 million in Fiscal 2004 to Rs. 2,678.34 million in Fiscal 2005. This was primarily due to increase in volume of business . As a percentage of our contract revenue, our operating expenses have marginally increased from 87.14% in Fiscal 2004 to 87.48% in Fiscal 2005.

Employee cost. Our employee cost increased by Rs.57.24 million, or 92.01 %, from Rs.62.21 million in Fiscal 2004 to Rs. 119.45 million in Fiscal 2005. This was primarily due to an increase in our employee strength from 510 as of March 31, 2004 to 906 as of March 31, 2005 coupled with the revision salary for -the employees.

Sales and Administrative expenses. Our sales and administrative expenses increased by Rs.45.15 million, or 64.21%, from Rs 70.32 million in Fiscal 2004 to Rs. 115.47 million in Fiscal 2005. This was primarily due to increased volume of business . As percentage of total income, sales and administrative expenses has declined marginally from 4.39% in Fiscal 2004 to 3.76% in Fiscal 2005.

Depreciation. Depreciation charges increased by Rs 3.58 million, or 59.67%, from Rs 6.00 million in Fiscal 2004 to Rs. 9.58 million in Fiscal 2005. This was primarily due to additions to fixed assets totalling to Rs 40.53 million apart from land.

Interest. Expenditure on account of interest charges increased by Rs. 10.47 million, or 124.35%, from Rs. 8.42 million in Fiscal 2004 to Rs. 18.89 million in Fiscal 2005. This was principally due to interest expenses incurred on term loans availed by our company during the Fiscal 2005. Our outstanding term loan has increased from Rs.21.90 million at the end of Fiscal 2004 to Rs.173.50 million at the end of Fiscal 2005.

Profit before tax. Profit before tax increased by Rs. 61.75 million, or 95.66%, from Rs. 64.55 million in Fiscal 2004 to Rs. 126.30 million in Fiscal 2005.

Provision for taxes. Provision for taxes includes current tax liabilities. Provision for taxes increased by Rs. 23.14 million, or 99.10%, from Rs. 23.35 million in Fiscal 2004 to Rs. 46.49 million in Fiscal 2005.

Profit after tax. For the reasons discussed above, our profit after tax increased by Rs. 38.61 million, or 93.71%, from Rs. 41.20 million in Fiscal 2004 to Rs. 79.81 million in Fiscal 2005.

CASH FLOWS

(Rs. In Millions)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Net cash (used in) / from operating activity	(400.79)	(96.04)	(106.76)
Net cash used in investing activities	(356.58)	(78.21)	(45.83)
Net cash from financing activity	**748.24**	**990.67**	**145.58**
Cash and cash equivalent (opening)	898.35	81.93	88.94
Cash and cash equivalent (closing)	889.22	898.35	81.93

Cash Flows from Operating Activities

Our net cash used in operating activities in Fiscal 2007 was Rs. 400.79 million, which was primarily due to increase in trade and other payables of Rs 1,387.86 million, increase in trade and other receivables of Rs 356.09 million, increase in inventories of Rs 2,051.41 million which was attributable higher order inflow and the aggregate amount of such increases and payment of direct taxes (net of refunds) of Rs 77.55 million are reduced from the operating profit before working capital changes of Rs 696.40 million to arrive at the net cash used in operating activities.

Our net cash used in operating activities in Fiscal Year 2006 was Rs. 96.04 million, which is primarily due to increase in trade and other payables of Rs. 473.23 million, increase in trade and other receivables of Rs 90.84 million, increase in inventories of Rs 723.54 million and the aggregate amount of such increases and payment of direct tax (net of refunds) and FBT of Rs 92.51 million are reduced from the operating profit before working capital changes of Rs.337.62 to arrive at the net cash used in operating activities.

Our net cash used in operating activities in Fiscal Year 2005 was Rs. 106.76 million, which is primarily due to increase in trade and other payables of Rs 115.91 million, increase in trade and other receivables of Rs 20.50 million, increase in inventories of Rs 303.17 million and the aggregate amount of such increases and payment of direct tax (net of refunds) and FBT of Rs 45.50 million are reduced from the operating profit before working capital changes of Rs.146.50 to arrive at the net cash used in operating activities.

Cash Flows from Investment Activities

Our net cash flow used in investing activities was Rs. 356.58 million in Fiscal 2007 which was primarily due to purchase of fixed assets amounting to Rs 405.78 million and sale of investments amounting to Rs.1.34 million.

Our net cash from investing activities was Rs. 78.21 million in Fiscal 2006 which was primarily due to purchase of fixed assets amounting to Rs 94.57 million and sale of investments amounting to Rs.6.09 million.

Our net cash used in investing activities was Rs. 45.83 million in Fiscal 2005 which was primarily due to purchase of fixed assets amounting to Rs 47.89 million and purchase of investments amounting to Rs.4.19 million.

Cash Flows from Financing Activities

Our net cash from financing activities was Rs. 748.24 million, 990.67 million and Rs. 145.58 million, in Fiscal 2007, 2006 and 2005, respectively.

Our net cash provided by financing activities in Fiscal 2007 comprised of subscription moneys from the preferential allotment of 1,390,900 shares of at Rs. 10 per share, amounting to Rs. 13.91 million to certain of our Promoters, borrowings by way of secured loans amounting to 862.15 million, and other income received including interest amounting to Rs. 49.91 million which was partially offset by interest paid amounting to 68.79 million, dividend paid (including dividend tax) amounting to Rs.51.76 million.

Our net cash provided by financing activities in Fiscal 2006 comprised of proceeds from subscription moneys for 2,777,778 shares issued on a preferential basis to UTI Venture Funds and Evolvence at a premium of Rs. 350 per share, borrowings by way of secured loan amounting to 29.78 million, and other income received including interest amounting to Rs.12.33 million which was partially offset by redemption of preference share capital amounting to Rs.0.70 million, repayment of unsecured loan amounting to Rs.10.98 million, interest paid amounting to Rs.40.58 million and dividend paid (including dividend tax) amounting to Rs.0.09 million.

For further details of the above allotments refer to “Capital Structure” on page 21

Our net cash provided by financing activities in Fiscal 2005 comprised of proceeds from various allotments of shares amounting to Rs.14.94 million, borrowings by way of secured loan amounting to Rs.171.63 million, and other income received including interest amounting to Rs.6.33 million which was partially offset by repayment of unsecured loan amounting to Rs.12.26 million, interest paid amounting to Rs. 18.88 million and dividend paid (including dividend tax) amounting to Rs. 9.85 million. For further details of the above allotments refer to “Capital structure” on page 21

Capital Expenditures

We have substantial investment in construction infrastructure and will be required to make investments in construction infrastructure on a recurring basis. In Fiscal 2007, we invested Rs. 407.84 million in fixed assets, including Rs.194.72 million for plant and machinery. We intend to use Rs. 1443.46 million from the net proceeds of the Issue for the purchase of construction infrastructure.

For details on our proposed expenditure on construction infrastructure going forward, refer to “Capital Structure” on page 21.

Liabilities

Our total liability consists of secured loans, current liabilities, provision for taxation, dividend and deferred tax liability. Our total liability increased from 1,160.80 million in Fiscal 2006 to 3,576.07 million in Fiscal 2007. This increase was due to an increase in our working capital requirements and significant increases in our current liabilities due to an increase in operations and consequent increases in advances received from our clients and sundry creditors, provisions for dividend due to the declaration of an interim dividend and increased deferred tax liability due to higher provisioning as a result of exclusion of retention monies for the purposes of computing income tax liability.

Indebtedness

As of September 5, 2007, we had outstanding secured loans of Rs. 3,255.39 million, which consisted of Rs. 118.75 million in term loans, Rs. 3,117.90 million in working capital loans and non fund based limits and Rs. 18.74 million in Hire Purchase loans. In addition we had outstanding unsecured borrowings of Rs. 50 million.

For further details on the details of our indebtedness, refer to “Financial Indebtedness” on page 181.

Contingent Liabilities

Our contingent liabilities consist of bank guarantees in support of our bids and ongoing projects and letters of credit issued by our lenders in favour of certain of our creditors and Sales Tax demands which have been contested by the company. As of March 31, 2007, an aggregate amount of Rs. 1903.47 million of bank guarantees and letters of credit was outstanding and Rs 8.12 million of sales tax demands aggregating to Rs 1911.59 million.

Sundry Debtors

Our sundry debts consist of amounts due from clients for jobs certified as being complete by them. As of March 31, 2007 a total amount of Rs. 44.63 million was owed to us by our Sundry Debtors. Of these debts, Rs. 3.27 million was owed to us for a period greater than one year. Of the above amounts :

(Rs. In Million)

	Fiscal 2007
Amounts owed for a period of one year and below two years	1.98
Amounts owed for a period of two years and below three years	1.13
Amounts owed for a period of three years and above	0.16
Total Outstanding above 1 year	**3.27**

Amounts due against contract work in progress

Certain amounts are due to us against work executed on those of our projects which have not been certified as being completed by our clients. We adjust payments received by us from our clients in relation to such projects against the aforesaid amounts due from them and include them as a part of our contract work in progress.

Further details of these amounts are as follows:

	Year ended March 31,			
	2007	**2006**	**2005**	**2004**
Work done not billed	524.91	78.96	5.63	0
Work billed but not received	1,493.35	608.01	436.98	253.87
At cost Jobs	178.21	268.84	36.23	0
Total amounts due against work in progress	2,196.47	955.81	478.84	253.87

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Except as described in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in this Red Herring Prospectus, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Except as described in "Risk Factors", "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Seasonality of Business

Our business operations may be materially and adversely affected by severe weather, which may require us to evacuate personnel or curtail services and may result in damage to a portion of our fleet of equipment or facilities resulting in the suspension of operations and, may further prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity. Our operations are also adversely affected by difficult working conditions and extremely high temperatures during summer months and during monsoon, which restrict our ability to carry on construction activities and fully utilize our resources. We record revenues for those stages of a project that we complete, after we receive certification from the client that such stage has been successfully completed. Revenues recorded during the first half of our financial year, between April and September, are traditionally substantially lower compared to revenues recorded during the second half of our financial year, due to the peak summer and monsoon seasons falling in the April to September period. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced.

Competitive Conditions

Refer to the sections entitled "Our Business", "Our Industry" and "Risk Factors" regarding competition on pages 70, 57 and xi.

Significant Developments after March 31, 2007

Except as stated in this Red Herring Prospectus, to our knowledge no circumstances have arisen since March 31, 2007, which is the date of the most recent financial statements included in this Red Herring Prospectus, which materially and adversely affect or are likely to affect our profitability, our financial condition or our ability to pay our material liabilities within the next 12 months.

Recent Developments

Except as stated in this Red Herring Prospectus, there are no subsequent developments after March 31, 2007, that we believe are expected to have material impact on our reserves, profits, earnings per share or book value. Other material developments are as under :

- Opened a new cash credit account for the working capital facilities extended to the subsidiary Consolidated Interiors Limited by Indian Bank for Rs.50 million
- Obtained a Term Loan of Rs.6.65 million from HDFC Bank
- Obtained a short term loan of Rs.50 million from HDFC Bank
- Additions to fixed assets of Rs.35.53 million
- Investments of Rs. 5 million CCCL Infrastructure Limited and Rs. 0.5 million in Noble Consolidated Glazings Limited

In addition, after July 31, 2007, we have received ten orders including 1 industrial, 1 residential and 8 commercial projects aggregating to a contract value of Rs. 1,821 million.

FINANCIAL INDEBTEDNESS

Our aggregate borrowings and non fund based limits as of September 4, 2007 are as follows;

In Rs. Million

S. No.	Nature of Borrowing	Amount
1.	Secured Loans	1064.54
2.	Unsecured Borrowings	50.00

In addition to the above fund based loans, we have also obtained secured non fund based limits classified as contingent liability for the amount of Rs.2,190.81 Million.

1. Sanction Letter dated September 5, 2006 issued by the State Bank of India: CC Hypothecation facility including a stand by line of credit sub limit

Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Repayment and Interest Rate
775.00[1,5,7] Including stand by line of credit sub limit of Rs. 50.00 million	670.84	• Facility valid for 12 months from date of sanction. • Interest at 1.00% below specified lending rate subject to a minimum rate of 10% p.a. at monthly rests, or the rate offered by any participating bank in multi bank greement which ever is higher. • Outstanding in the stand by line of credit to be charged at an interest rate of 1% above the rate applicable to the CC hypothecation limit.

2. Sanction Letter dated September 5, 2006 issued by the State Bank of India: Bank Guarantee including Letter of Credits sub limit

Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Repayment and Interest Rate
1040.00 Including Letter of Credit sub limit of 450.00[2,5,7]	1,005.84	• Facility limited to purchase of raw materials and not for the purchase of capital goods • Margin money amounting to 10% of the amount of the bank guarantee to be deposited • Commission to be applicable for each act of opening, extending or enhancing a bank guarantee. • Margin money amount

3. Sanction Letter dated December 16, 2004 issued by the State Bank of India as amended by sanction letter dated September 5, 2006

Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Repayment and Interest Rate
75.00[2,5,7]	31.25	• Interest payable at 1.25% below specified bank lending rate calculated at monthly rests • Repayable over four years beginning from

4. ***Sanction Letter dated August 17, 2005 issued by the State Bank of India as amended by sanction letter dated September 5, 2006***

Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Repayment and Interest Rate
150.00[2,5, 7]	87.50	• Interest payable at 1.25% below specified bank lending rate calculated at monthly rests • Loan repayable in 12 quarterly instalments commencing from June 30, 2006

5. ***Sanction Letter dated August 28, 2006 from Bank of Baroda as modified by Sanction Letter No. BOB/THEAGA/ADV/ 51/82 dated October 11, 2006.: Cash Credit Facility***

Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Repayment and Interest Rate
350.00 [6, 8, 9, 10, 13]	256.22	• Loan sanctioned for a period of 12 months. • Facility valid for 12 months from date of sanction. • Rate of interest is 1.00% p.a. below specified lending rate with monthly rests.

6. ***Sanction Letter dated August 28, 2006 from Bank of Baroda as modified by Sanction Letter No. BOB/THEAGA/ADV/ 51/82 dated October 11, 2006.: Inland Guarantee including letter of credit sub limit***

Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Repayment and Interest Rate
750.00 with inland usance letter of credit sub limit of 150 [6, 12, 13]	750.00	• Facility valid for 12 months from date of sanction. • Commission at 1% p.a. and applicable service tax • For the Inland usance letter of credit, commission at 0.6% plus applicable service tax subject to applicable concessions for letters of credit of more than Rs. 10 million.

7. ***Sanction Letter dated November 8, 2006, Deed of Guarantee dated January 8, 2007 and Loan/Facility Agreement Dated January 8, 2007 with Industrial Development Bank of India Limited: Working Capital Facility***

Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Repayment and Interest Rate
200.00[14]	194.34	• Facility valid till November 1, 2007 unless any individual facility is due for repayment before that date or renewed before that Date. • Tenure of Performance Guarantee not to exceed 24 months including claim period/ 12 months line. • Repayment to be made by return of original Guarantee on or before the date of Expiry. • Interest at the rate of specified prime lending rate plus 4.00%

8. Hire Purchase Agreement dated August 16, 2005 with SREI Infrastructure Limited

Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Tenure of Individual Facility/ Repayment Dates and Interest Rates
9.84 [15,16]	5.38	• Period of transaction is for 48 months from the date of commencement of Hire Purchase Agreement. • 47 equated monthly installments (over and above initial hire) payable in arrears subject to variance linked to specified benchmark lending rate.

9. Sanction Letter dated July 25, 2005 with SREI Infrastructure Limited

Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Tenure of Individual Facility/ Repayment Dates and Interest Rates
9.00 [15,16]	4.52	• Period of transaction is for 48 months from the date of commencement of Hire Purchase Agreement. • Interest rate at 7% p.a. • Amount to be paid in 48 equated monthly installments.

10. Hire Purchase Agreement dated November 5, 2005 with HDFC Bank Limited (Transaction for Batching Plant)

Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Tenure of Individual Facility/ Repayment Dates and Interest Rates
8.20[16]	3.23	• Amount to be paid in 36 equated monthly instalments. • Current interest rate at 6.8% per annum

11. Hire Purchase Agreement dated July 24, 2007 with HDFC Bank Limited (Transaction for Batching Plant)

Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Tenure of Individual Facility/ Repayment Dates and Interest Rates
6.65[16]	5.60	• Amount to be paid in 13 equated monthly instalments. • Current interest rate at 13% per annum

Unsecured Loans

12. Sanction Letter dated October 31, 2006 with HDFC Bank Limited and Loan Agreement dated July 10, 2007

Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Tenure of Individual Facility/ Repayment Dates and Interest Rates
200.00[8,]	50.00	• Facility repayable on demand. Maximum tenor of upto 90 days. Minimum tenor of 30 days • Interest to be determined based on market rates at monthly rests. Current interest rate at 9.75%

References:

1. Loans secured by hypothecation of stocks of raw materials, Stocks-in-process, receivables.
2. Loan secured by documents of title to goods and extension of charge on current assets.
3. Loan secured by extension of charge on current assets.
4. Loan secured by extension of charge on current assets, fixed assets and non-current assets (Scaffoldings)
5. Loan secured by equitable mortgage of immovable property owned by the Company.

6. Transfer of equity stake in our Company by certain of our Promoters prohibited
7. Secured by charge over unencumbered plant and machinery of the Company
8. Demand Promissory note for the loan amount executed by the Company,
9. Loan secured by Hypothecation of stocks, book debts, receivables of the Company on *pari passu* charge with other Bank.
10. Loans secured by Letter of continuing security.
11. Loans secured by various undertakings as per guidelines.
12. Loans secured by counter-indemnity of the firm.
13. All the facilities are to be further secured by the following:
    a. Pari Passu charge on all assets of the Company with other banks under Multiple Banking Arrangement.
    b. Pari Passu charge on certain immovable property and specified plant and machinery
14. Non fund based limit.
15. Personal Guarantee of the Chairman or Managing Director of the Company.
16. Loan secured by charge over asset being financed

Some of the corporate actions for which we require the prior written consent of our lenders include the following:

1. to undertake or permit any merger, de-merger, consolidation, re-organization, dissolution, scheme or arrangement or compromise with our creditors or shareholders or effect any scheme of amalgamation or reconstruction;
2. to implement any new venture or scheme of expansion or modernization;
3. to effect any reduction in paid up capital;
4. to invest by way of share capital in or lend or advance funds to or place deposits with any other concern but normal trade credit or security deposits in the normal course of business or advances to employees can however be extended.
5. to accept and use direct payment of bills/invoices lodged with the bank for collection/realization. In case the proceeds of the bills are received by the borrowers, they should immediately deposit the same with the bank and if the amount is not immediately deposited, the omission to do so will be construed as a breach of trust and the borrowers will render themselves liable for criminal action against them.
6. to withdraw any moneys contributed to our Company by our Directors, Associates by way of loan, deposit etc.;
7. to enter into borrowing arrangements, secured or unsecured with other banks.

Other critical covenants:

- The assets of the Company charged to the bank and the mortgage property are to be adequately insured with bank clause for their full value and the premium for the same to be borne by the firm or company.
- The rate of interest to be charged to the account will change as per the credit rating assigned to the account and as per Bank's/RBI guidelines from time to time.
- Lender has the right to alter the terms and conditions of sanction at any time without assigning any reason whatsoever and to recall the advance at any time in case of default by the borrower.
- The Company is to give cash budget every quarter.
- The Company is to furnish progress report on the execution of each of the projects and the position of the various guarantees issued at quarterly basis.
- The Company is not to induct a person who is director on the Board of a Company which has been identified as a willful defaulter.
- The Lender has the right to inspect the stocks, machinery, mortgaged property and the books of account of the firm or company at any time and the borrower should bear the cost of inspection as per bank's rules.
- The Lender's name board is to be displayed in all the godowns where the stocks are kept.
- The Company is to confine its entire banking business to SBI, or where a multiple banking arrangement has been approved by SBI, route a pro rata share of its banking business through SBI.
- The Company is to incur a penal interest of 2% for non-compliance of terms and conditions.

In addition to the above, we have availed of a bank guarantee facility of Rs. 240.64 million against 100% margin moneys deposited by way of fixed deposit with the Bank of Baroda.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Subsidiaries, our Directors and our Promoter Group Entities and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issue by the Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company (the subsidiary of the Company has no material litigation pending against it) and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its Subsidiary, its Promoter or Directors or Promoter Group Entities.

Cases filed against our Company

Workmen Compensation Cases

1. A Workmen Compensation case numbered WC 588 of 2005 has been filed before the Deputy Commissioner for Workmen's Compensation, Chennai by Mr. N Ravi against our company, in relation to a personal injury suffered by the petitioner, alleging non-payment of workmen's compensation. The petitioner has claimed Rs. 500,000 against the Company. The insurance company from whom we have obtained Workmen's compensation insurance has been impleaded in this matter. The next date of hearing is yet to be notified.
2. A Workmen Compensation case numbered WC 117 of 2006 has been filed before the Labour Officer and Commissioner for Workmen Compensation, Haveri by Mr. Raju against our company, in relation to a personal injury suffered by the petitioner, alleging non-payment of workmen's compensation. The petitioner has claimed Rs. 800,000 against the Company. The said case has come up for hearing before the court/tribunal on March 5, 2007. The next date of hearing has not been notified. The insurance company from whom we have obtained Workmen's compensation insurance has sought to implead itself in this matter. The next date of hearing is yet to be notified.

Proceedings initiated by our Company

Civil Suits filed by our Company

1. Our Company has filed a civil suit bearing C. S. No. 645/02 in the Madras High Court against Skoda Exports Company Limited and others seeking the recovery of a sum of Rs. 1,700,000 on grounds of arbitrary termination of a contract. Skoda Exports Company Limited has filed a written statement in this matter and made a counter claim for a sum of Rs. 4,900,000 on grounds of alleged contractual lapses on the part of our Company. An interim order, requiring Skoda Exports Company Limited to deposit certain payments, is currently in force. The matter has been posted for final hearing and the next date of hearing for the same has not been notified.
2. Our Company has filed a civil suit bearing O.S. No. 6599/2006 before the City Civil Court, Bangalore against one Nabhiraj, the proprietor of Nidhi Kalyanamantapam seeking a recovery of dues Rs. 9,537,395 from the said Mr. Nabhiraj. Our company has also sought orders prohibiting the said Mr. Nabhirajan from alienating the structure with relation to which dues are pending and have also sought attachment of the said structure. The defendant in this matter has recently entered appearance. The next date for hearing is yet to be notified.
3. We have filed an appeal bearing number STA. 1940/06 filed challenging the assessment order for the year 2004-05 before Deputy commissioner (Appeals) Ernakulam, in appeal against the assessment of a disputed turnover of Rs. 87,879,740 and the sales tax of Rs. 8,084,986 applicable thereon. This matter was last posted for hearing on November 13, 2006. the next date of hearing is yet to be notified.
4. We have filed writ petition bearing W.P. No. 16170 of 2007 against the Union of India and others challenging the validity of notification No. 15/2004 and serial No. 7 to notification 2 of 2006 ST dated March 1, 2006 seeking that they be struck down on various grounds including those of the same being *ultra vires* Sections 65, 66 and 67 of the Finance Act, 1994 and Articles 14 and 265 of the Constitution of India. We have further sought directions from the Hon'ble High Court preventing the issue of any show cause notices against us on the basis of the said notifications. The Hon'ble High Court has granted

an interim injunction and has directed the petitioner to take private notice on the respondents. The court has further ordered that copies of an affidavit filed in the matter and a typed set of papers in relation tot the case be served on the Office of the Learned Additional Solicitor General of India. No date of hearing has been notified in this matter.

5. We have filed writ petition bearing W.P. No. 25455 of 2007 before the High Court of Judicature at Madras seeking the issue of a writ of declaration declaring the amendment to section 6 of the Tamil Nadu Value Added Tax, 2006 by Act No. 21 of 2007 on grounds of the above amendments being ultravires Articles 14, 19(1)(g), 265, 300a, 301 to 304 of the Constitution of India. The matter was last heard on July 27, 2007 and the writ was admitted for hearing and posted on September 7, 2007.

Arbitration proceedings against the Company:

1. M/s.Praku Chand Marbles, Chennai represented by its proprietor Mr. Y.V.R. Moorti, an entity to whom we contracted the execution of certain marble laying works, filed an original petition bearing reference number O.P. No. 499 or 2006 before the High Court of Judicature at Madras seeking the appointment of an arbitrator by the Hon'ble Court. The petitioner has subsequently withdrawn the said petition and issued legal notice seeking the initiation of arbitration proceedings to resolve the dispute arising out of the said work order and has claimed an amount of of Rs.269,770 as being due in relation to the dispute. We have responded to the petitioner and consented to the appointment of a sole arbitrator in this matter. Arbitration proceedings in this matter are yet to commence.
2. The Union of India, represented by the Executive Engineer, CPWD, has filed an arbitration petition OP No.603/2007 before the High Court of Madras challenging the award of the arbitrator dated April 2, 2007. The said award was passed in favour of the Company and granted a sum of Rs. 8,277,770 in relation to a dispute arising from a contract for the construction of a convention centre in Chennai. The date of first hearing is yet to be notified.

Criminal Cases filed by our Company

Our Company has filed a criminal complaint under S. 138 of the Negotiable Instruments Act, 1881 before the Metropolitan Magistrate, Saidapet, Chennai on the grounds of a dishonour of a cheque drawn be the one Mr. S. Devarajhan. Our Company has sought the recover of an amount of Rs. 500,000 under this complaint. The matter has been posted on September 20, 2007.

Miscellaneous

We have also made applications dated September 6, 2005 before the Assistant Commissioner, Works Contract and Leasing Tax, Jaipur in relation to the assessment order passed by the relevant authority levying a surcharge for Rs. 21,088 and Rs. 15,189 respectively, seeking a refund of the same.

Certain resolutions issuing and allotting Equity Shares, in the past, were filed with the Registrar of Companies, Tamil Nadu at Chennai on May 18, 2007 upon payment of additional delayed filing fees of Rs. 10,000.

There are no outstanding litigations filed by or against any of our Directors including those involving violation of statutory regulations or alleging criminal offence.

Details of past penalties imposed on our Company or any of our Directors

Except as stated below there have been no instances in the past of any penalties that have been imposed on our Company or our Directors by any statutory authorities.

Details of pending proceedings initiated for economic offences against our Company or any of our Directors

There are no pending proceedings initiated for economic offences against our Company or our Directors.

Cases filed by or against our Promoter or companies forming part of the Promoter Group

There have been no cases filed by or against any of our Promoters or any of the companies forming part of the Promoter Group.

There are no cases involving any of our Promoters or any of the companies forming part of the Promoter Group which involve a violation of any statutory regulations, criminal offence or in which penalties have been imposed by the relevant authorities.

Further, there are no pending proceedings initiated for economic offences against the Promoter or companies promoted by the Promoters.

Details of past penalties imposed on our Promoter or the companies forming part of our Promoter Group

There have been no instances in the past of any penalties that has been imposed on our Promoter or on any company forming part of our Promoter Group by any statutory authorities.

Material Developments

There have been no material developments, since the date of the last balance sheet otherwise than as disclosed in the section 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 163, and as disclosed below.

GOVERNMENT APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further material approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below; no further approvals are required for carrying on our present business.

Approvals for the Issue

1. In Principle Approval from the National Stock Exchange dated June 29, 2007
2. In Principle Approval from the Bombay Stock Exchange dated July 2, 2007.

Approvals to carry on our Business

A. Tax related approvals

1. Amended Certificate of Registration dated December 29, 2006 certifying the grant of service tax registration number IV/16/23/06 STC to our Company.
2. Amended Certificate of Registration dated December 21, 2006 issued by the Officer of the Commissioner of Service Tax, Chennai certifying the grant of service tax code AAACC4214BST001.
3. Certificate of Importer and Exporter Code IEC No. 0498049370 issued to our Company.
4. Permanent Account Number No.AAACC4214B card issued by the Chief Commissioner of Income tax, Tamil Nadu to our Company.
5. Central Excise registration certificate dated 09/04/2007 evidencing the grant of registration number AAACC4214BXM001 to our Company.
6. Letter dated March 10, 2003 issued by the Office of the Commercial Taxes Department, Government of Andhra Pradesh evidencing grant of TIN number 28510128767 to our Company.
7. Letter dated January 1, 2007 issued by the Department of Commercial Taxes Tamil Nadu, Government of Tamil Nadu evidencing grant of TIN number 33490701326 to our Company.
8. Certificate bearing reference number 90310275 issued in favour of our Company evidencing registration under the Karnataka Sales Tax Rules, 1957
9. Certificate bearing reference number 1422/03653 issued in favour of our Company evidencing registration under the Rajasthan Sales Tax Act, 1994 granting number 1422/03653 to us with effect from April 1, 2000.
10. Certificate bearing reference number 1422/03653 issued in favour of our Company evidencing registration with place of business at UP SIDC Plot No. C-6, Meerut Road, Ghaziabad under the Uttar Pradesh Sales Tax Act, 1948 granting number GB0458493 to us with effect from March 26, 2004.
11. Certificate of registration under the Central Sales Tax (Registration and Turnover) Rules, 1957 dated February 13, 2002 evidencing the registration of our Company with a principal place of business located at No.3, Second Link Street, CIT Colony, Mylapore, Chennai 600 004 as dealers under the said enactment and the grant of CST No. 0655970/97 to us.
12. Certificate of registration under the Central Sales Tax (Registration and Turnover) Rules, 1957 dated May 25, 2000 evidencing the registration of our Company with a principal place of business located at 68/242 Pratap Nagar, Sector VI, Near Police Chowki, Sanganer, Jaipur as dealers under the said enactment and the grant of CST No. 1422/03653 to us.
13. Certificate of Registration under the Central Sales Tax Act, 1956 certifying the grant of Registration No. 06121925921 valid from December 3, 2004, to our Company with a principal place of business at Village and Post Office, Manesar, Gurgaon.
14. Certificate of registration under the Tamil Nadu General Sales Tax Rules, 1959 dated October 3, 1997 bearing number 701326 evidencing the registration of our Company with a principal place of business located at No.5 Second Link Street, C.I.T. Colony, Mylapore, Chennai 600 004.

15. Certificate of Registration under the Haryana Value Added Tax Act, 2003 certifying the grant of Tax Identification No. 06121925921 valid from December 3, 2004, to our Company with a principal place of business at Village and Post Office, Manesar, Gurgaon.
16. Certificate of Registration under the Himachal Pradesh Value Added Tax Act, 2005 certifying the grant of Tax Identification No. SOLIII10907 valid from November 21, 2006, to our Company with a principal place of business at 36, Phase I, Village and Post Office, Baddi, Solan.
17. Certificate of Registration under the Punjab General Sales Tax Rules, 1949 dated July 26, 2004 evidencing the registration of our Company with a principal place of business located at IT Park, Kishangarh, CHT Chandigarh.
18. Certificate of Registration under the Punjab Value Added Tax Act, 2005 certifying the grant of Tax Identification No. 03722011922 dated February 1, 2006, to our Company with a principal place of business at house No. 1577, Phase V, Top Floor, Mohali.
19. Certificate of Registration under the Karnataka Value Added Tax Act, 2003 certifying the grant of Tax Identification No. 29290135604 dated November 16, 2006 to our Company with a principal place of business at house No. 1018, 16th Main, First Phase, First Stage BTM Layout 560 029.

B. Approvals under Shops and Establishments legislation

20. Registration dated July 24, 2002 under the Karnataka Shops and Establishment Act, 1961 issued to our Company for the premises at No. 1018, BTM Layout, First Stage, First Phase, Bangalore 560 029 with Mr. S. Sivaramakrishnan, our Managing Director referred to as the employer.
21. Registration dated April 2, 2007 under the Andhra Pradesh Shops and Establishment Act, 1988 issued to our Company for the premises at B16, Vikrampuri Colony, Secunderabad with Mr. S. Sivaramakrishnan, referred to as the employer. The registration is valid till December 31, 2007.
22. Registration dated April 2, 2007 under the Maharashtra Shops and Establishment Act, 1961 issued to our Company for the premises at Flat No.101, Elegant Residency, Plot No.3, Viman Nagar, Pune 411014 with Mr. S. Sivaramakrishnan, referred to as the employer. The registration is valid till December 31, 2007.

C. Labour and Industrial Approvals

23. Letter from the Office of the Regional Commissioner Employees' Provident Funds, Tamil Nadu dated May 27, 1997 evidencing allotment of code TN/40053 to our Company.
24. Certificate of Registration bearing reference number ALC (South West)/BOCW/2005/714 dated April 2, 2007 granted under Section 7 (3) of Building and other Construction (Regulation of Employment and Conditions of Service) Act, 1996, expiring on March 31, 2008.
25. Certificate of Registration bearing reference number 57(04)/07/ALC-TVM dated February 22, 2007 granted under Section 7 (3) of Building and other Construction (Regulation of Employment and Conditions of Service) Act, 1996, in respect of construction of New International Terminal Building, Apron, Car Park and other allied services towards Chackai Canal side at Trivandrum Airport SH: Construction of new International Terminal Building and other services in the establishment of M/s. Asst. General Manager Engg. (Civil), Project Division, AAI, Trivandrum Airport, Trivandrum 8, expiring on August 25, 2008.
26. Certificate of Registration bearing reference number 57(35)/2006-A/M dated July 28, 2007 granted under Section 7 (3) of Building and other Construction (Regulation of Employment and Conditions of Service) Act, 1996, for the Civil Engineering and Construction work for Airport Authority of India at Trichy Airport, Trichy expiring on September 30, 2007.
27. We have received the following licenses pertaining to our construction business as contractors under the Contract Labour (Regulation and Abolition) Act, 1970 ("Contract Labour Act")
    a) License dated July 21, 2006 bearing reference number 603/06 for civil construction and engineering work in Plot No. TP2 (P5), Natham, Sub Post Office, Chingleput 602 002 This license is valid till December 31, 2007:
    b) License dated December 1, 2006 bearing reference number 442/CNI issued under the Section 12 of the Contract Labour Act for civil construction work in Bannari Amman Sugars Limited, No. 32, Rukmari Nagar, Trichy Road, Ramanathapuram, Coimbatore 641 045. This license is valid till December 12, 2007

c) License bearing reference number 144 issued on November 14, 2006 under Section 12 of the Contract Labour Act for civil construction work in Samson Foundations, No. 15, Casa Major Road, Egmore, Chennai 600 008. This license is valid till December 12, 2007

d) License dated December 1, 2006 bearing reference number 441/06 under Section 12 of the Contract Labour Act for civil construction work in Sri Tripurasundari Hotel Ltd., No.2, Club House Road, Mount Road, Chennai 600 002. This license is valid till December 12, 2007

e) License dated November 3, 2004 bearing reference number 310/CNI issued under Section 12 of the Contract Labour Act for civil construction work in 'Kakani Towers', Floor IV, 15, Khadar Nawaz Khan Road, Chennai 600 006. This license is valid till December 31, 2007

f) License dated April 17, 2006 bearing reference number 404/CNI/2006 issued under Section 12 of the Contract Labour Act for civil construction work in Ascendas IT Park (Chennai) 802, Olympus, 20, Hosur Road, Aeropolls, Bangalore. This license is valid till December 31, 2007

g) License dated October 28, 2006 bearing reference number 433/CNI issued under Section 12 of the Contract Labour Act for civil construction work in M/s Ashok Leyland Finance, A Division of INDUSIND Bank, 92/86, Chamiers Road, Chennai 600 018. This license is valid till December 12, 2007

h) License dated October 28, 2006 bearing reference number 399/CNI issued under Section 12 of the Contract Labour Act for civil construction work in 30/1A, Horulington Chambers, 2nd Floor, Abdur Razak I Street, Saidapet, Chennai 600 015. This license is valid till December 12, 2007

i) License dated June 25, 2004 bearing reference number 397/CNI issued under Section 12 of the Contract Labour Act for civil construction work in Infosys Technologies Ltd, Mahendra City Industrial Park, Mahendra City, Natham Sub Post Office, Chenglepet – 603 002. This license is valid till December 12, 2007

j) License dated July 21, 2006 bearing reference number 602/06 issued under Section 12 of the Contract Labour Act for civil construction work in Abu Gardens, Old Mahabalipuram Road, Navalur, Chennai. This license is valid till December 31, 2007

k) License dated August 23, 2006 bearing reference number 630/06 issued under Section 12 of the Contract Labour Act for civil construction work in Plot No. G1-G4, SIPCOT Industrial Park, Irrungattukottai, Sriperumbudur TIC. This license is valid till December 31, 2007

l) License dated December 12, 2006 bearing reference number 716/06 issued under Section 12 of the Contract Labour Act for civil construction work. This license is valid till December 12, 2007

m) License dated August 23, 2006 bearing reference number 631/06 issued under Section 12 of the Contract Labour Act for civil construction work. This license is valid till December 31, 2007

n) License bearing reference number 24/07 issued under Section 12 of the Contract Labour Act for civil construction work. This license is valid till December 31, 2007

o) License bearing reference number 215/TVR issued under Section 12 of the Contract Labour Act for civil construction work at Dr. MGR Educational Research Institute, Faculty and Medicine, Poondamallee High Road, Near Savitha Dental College, Vellappan Chawadi, Chennai. This license is valid till December 31, 2007

p) License bearing reference number CLA/C/14/07/SWD/14 dated April 2, 2007 issued under Section 12 of The Contract Labour Act for civil construction in the establishment of M/s. Delhi International Airport Pvt. Ltd., expiring on February 14, 2008.

q) License bearing reference number ALCB 4/CLA/C2-8/06-07 dated February 13, 2007 issued under Section 12 of The Contract Labour Act for the construction of Commercial complex for M/s. Vakil Housing Development Corporation Pvt. Ltd. In the establishment of M/s. Vakil Square Project, Next to Airtel at Bannerghatta Road, Bangalore, expiring on February 7, 2008.

r) License bearing reference number LNC/CLA/LOD-2/MNG-12/2006-07 dated November 6, 2006 issued under Section 12 of The Contract Labour Act for the construction of Buildings in the establishment of Infosys Technologies Limited, Kamblapadav, Kurnad post, Pajir Village, Bantwal Taluk – 574153, Mangalore, expiring on October 2, 2007.

s) License bearing reference number LOM:85/2006-07 dated August 16, 2006 issued under Section 12 of The Contract Labour Act for the constructionof Building at Hebbal, Mysore in the establishment of Infosys Technologies Limited at Hebbal Electronics City, Hebbal Industrial Area Mysore, expiring on August 16, 2008.

t) License bearing reference number ALC-2/CLA/C-26/06-07 dated February 15, 2007 issued under Section 12 of The Contract Labour Act for the construction of Buildings in the establishment of M/s. Infosys Technologies Ltd., at Electronic City, Hosur Road, Bangalore, expiring on February 14, 2008.

u) License bearing reference number KR 13T/06 dated January 2, 2007 issued under Section 12 of The Contract Labour Act for civil construction work in the establishment of TNPL at Karur, expiring on December 31, 2007.

v) License bearing reference number CL/L-15/07 dated February 22, 2007 issued under Section 12 of The Contract Labour Act for the construction of New International Manager Engg. (Civil) Project Division, AAI, Trivandrum Airport, Trivandrum – 8, expiring on February 21, 2008.

w) License bearing reference number D/CL/DCL-RRZ/ 1213/ 06 dated March 21, 2006 and renewed on January 16, 2007,issued under Section 12 (1) of the Contract Labour (R&A) Act, 1970 for the construction work in establishment of M/s Softsol India Ltd., Plot No.4, Infocity, Madhupur, Cyberabad, Andhra Pradesh, for 100 workers, expiring on December 31, 2007.

x) License bearing the reference number 41/2006 dated April 17, 2006 and renewed on March 08, 2007, issued under Section 12(1) of the Contract Labour (R&A) Act, 1970 for the work of Construction of Mission Control Centre at SDSC –SHAR, Shriharikota, expiring on April 16, 2008.

y) License bearing the reference number D/CL/DCL-RRZ-/ 1341/ 06 dated June 30, 2006 and subsequently renewed, issued under Section 12(1) of the Contract Labour (R&A) Act, 1970 for Construction Works in the establishment of M/s. Dr. Reddy’s Laboratories,Generics division, Bacheepally, Ranga Reddy District, expiring on December 31, 2007.

z) License bearing reference number D/CL/DCL-RRZ/ 1296/ 06 dated June 09, 2006 and renewed on February 07, 2007, issued under Section 12(1) of the Contract Labour (R&A) Act, 1970, for construction works in the establishment of Dr. Reddy’s Laboratories, Bacheepally, Ranga Reddy District, expiring on January 31, 2008.

aa) License bearing reference number A/890 dated February 3, 2007, issued under Section 12(1) of the Contract Labour (R&A) Act, 1970, for civil and structural works in the establishment of Sreenithi International Pvt. Ltd., Azeeznagar, Maurabad, RRLane, expiring on December 31, 2007.

bb) License bearing reference number DCL/VSP/CL/3598/2007 dated March 17, 2007, issued under Section 12(1) of the Contract Labour (R&A) Act, 1970, for construction of a chemical plant, in the establishment of Vishnu Chemicals Ltd., #29, JN Pharmacity, Parawada Mandal, VSP, expiring on October 31, 2007.

cc) License bearing reference number G-1871, issued under Section 12(1) of the Contract Labour (R&A) Act, 1970, for civil and structural works in the establishment of Jeypore Sugars Company Ltd.(VRK Sugars Unit no.2) Pothavaram, Nallajarla (M), W.G.District, expiring on March 15, 2008.

dd) Renewal application dated May 26, 2007 made for license bearing the reference number F-783 dated May 24, 2006, issued under Section 12(1) of the Contract labour (R&A) Act,1970,for construction works of Pulp Mill and Recovery Systems for new projects in the establishment of ITC Ltd, PSPD, valid till May 20, 2008.

ee) License bearing reference number CL/21/07 dated April 02, 2007, issued under Section 12(1) of the Contract Labour (R&A) Act, 1970, for civil and structural works in the establishment of M/s. Ajit Kumar Chordia, Raj Bhavan, Road, Hyderabad expiring on December 31, 2007.

ff) License bearing reference number L06/CLA/C-01/2006-2007 dated April 27, 2007, issued under Section 12(1) of the Contract Labour (R&A) Act, 1970, for civil and structural works in the establishment of M/s HCL Technologies Limited, No. 129, Bommasandra Jigani Link Road, Jigani Industrial Area, Bangalore 560 032 expiring on December 31, 2007

gg) License bearing reference number CLL 234/2006 dated February 22, 2006 issued under Section 12 of The Contract Labour Act for the construction of Eveready Industries India Ltd, Raipur, Uttaranchal. This license is valid till January 31, 2008.

hh) License bearing reference number L.90/2006. A/M dated July 28, 2006 issued under Section 12 of The Contract Labour Act for the civil work construction at Trichy Airport in the establishment of The Deputy General Manager Engg. (Civil), Airport Authority of India, Trichy. This license is valid till July 23, 2008.

ii) License bearing reference number M-2113 dated June 30, 2006, issued under Section 12(1) of the Contract Labour (R&A) Act, 1970, for civil structural and infrastructure works in the establishment of Offers India Pvt. Ltd. Wargal. This license is valid till July 10, 2008.

28. We have received the following licenses pertaining to our construction business as contractors under Section 8(1) of the Interstate Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979:

(i) License No. 23/07 granted for civil work in 5, 2nd Link Street, CIT Colony, Mylapore, Chennai-4, expiring on December 31, 2007.

(ii) License No. 24/07 granted for civil work in 5, 2nd Link Street, CIT Colony, Mylapore, Chennai-4, expiring on December 31, 2007.

(iii) License No. 8/TVR dated September 30, 2005, granted for work in Tmt. Kannamal Educational Trust, Dr. MGR Educational Research Institute, Faculty and Medicine, Poondamallee High Road, Near Savitha Dental College, Vellappan Chawadi, Chennai, expiring on December 31, 2007.

29. The Central Government vide its letter No:12/31/2006 dated 8.11.2006 approved the payment of salary to Mr.S.Kaushik Ram for a period of 5 years w.e.f. 12.6.2006 for an amount of Rs.18.00 Lacs p.a.

Approvals applied for and not received

a) License bearing reference number K107 dated June 26, 2006, issued under Section 12(1) of the Contract Labour (R&A) Act, 1970, for construction of Multiplex in the establishment of, Suraj Constructions, Gopala Reddy Road.

b) License bearing reference number DCL/VSP/CL/3501/2007 dated January 22, 2007, issued under Section 12(1) of the Contract Labour (R&A) Act, 1970, for civil and structural works in the establishment of Sri. B. Murali Manohar Rao, director, Sankhya Technologies Pvt. Ltd., # 10-1-27, 4th Floor, Sampath Vinayaka Temple Road, VSP-3.

c) License bearing reference number D/CL/DCL-RRZ/ 1470/ 06 dated September 01, 2006, issued under Section 12(1) of the Contract Labour (R&A) Act, 1970, for civil and structural works in the establishment of Albany Molecular Research (P) Ltd., Genome Valley, Turkapally, Shameerpet, Ranga Reddy District.

Approvals not applied for

a) We are yet to apply for the registration of our regional office in Delhi under the Delhi Shops and Establishment Act, 1954

b) We have not made applications for approvals under the Contract Labour (R&A) Act, 1970 for certain of our ongoing projects

c) Application to Central Government under Section 314 (1B) of the Company's Act, 1956

OTHER STATUTORY AND REGULATORY INFORMATION

Authority for the Issue

The present Issue has been authorized by the Board of Directors in their meeting on March 12, 2007, and by the shareholders of our Company at an Extra Ordinary Meeting held on April 16, 2007.

Prohibition by SEBI

Our Company, our Directors, our subsidiaries, our Promoter, our group companies, associates of our group companies and other companies promoted by our Promoter and companies with which our Company's 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 and have not been named in the list of defaulters notified by the RBI.

Eligibility for the Issue

We are eligible for the Issue as per Clause 2.2.2 of the SEBI Guidelines as explained under Clause 2.2.2 of the SEBI Guidelines states as follows:

"*2.2.2 An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions (a) and (b) given below:*

(a) (i) The issue is made through the book-building process, with at least 50% of the issue size being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.

OR

(a)(ii) The "project" has at least 15% participation by Financial Institutions/ Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded

AND

(b) (i) The minimum post-issue face value capital of the company shall be Rs. 10 crores (Rs. 100 Million).

OR

(b) (ii) There shall be a compulsory market-making for at least 2 years from the date of listing of the shares, subject to the following:

(a) Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;

(b) Market makers undertake to ensure that the bid-ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;

(c) The inventory of the market makers on each of such stock exchanges, as of the date of allotment of securities, shall be at least 5% of the proposed issue of the company.)"

We are an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and are therefore required to meet both the conditions detailed in clause 2.2.2(a) and clause 2.2.2(b) of the SEBI Guidelines.

- We are complying with Clause 2.2.2(a)(i) of the SEBI Guidelines and at least 60% of the Issue are proposed to be Allotted to QIBs (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.
- We are complying with the second proviso to Clause 11.3.5(i) of the SEBI Guidelines and Non-Institutional Bidders and Retail Individual Bidders will be allocated up to 10% and 30% of the Issue respectively.

We are also complying with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post-issue face value capital of the Company shall be Rs. 370 million, which is more than the minimum requirement of Rs. 10 crore (Rs. 100 million).

Hence, we are eligible for the Issue under Clause 2.2.2 of the SEBI Guidelines.

Our net tangible assets, monetary assets, net profits (as restated) and net worth (as restated) as derived from the restated financial statements, as per Indian GAAP and included in the Red Herring Prospectus under the section titled “Financial Statements”, beginning on page 132 is set forth below:

Rs. In Millions

Particulars	As at March 31,				
	2007	**2006**	**2005**	**2004**	**2003**
Net tangible assets(1)	2,034.85	1,694.19	409.24	185.96	122.90
Monetary Assets(2)	888.27	898.3	81.93	88.94	57.84
Monetary assets as a percentage of Net tangible assets	43.65	53.02	20.02	47.83	47.06
Distributable profits	658.94	294.42	146.70	87.28	60.21
Net worth	1,842.96	1,402.28	224.75	140.81	103.61

(1) Net tangible assets is defined as the sum of fixed assets (including capital work in progress and capital advances and excluding intangible assets and revaluation reserves), investments, current assets (excluding deferred tax assets) less current liabilities (including working capital loans), and short term liabilities.

(2) Monetary assets include cash on hand, bank balances and investments in mutual funds.

Further, in accordance with Clause 2.2.2A of the SEBI DIP Guidelines, we undertake that the number of allotters, i.e., persons receiving allotment in the Issue shall be at least 1,000, otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Further, the Issue is subject to the fulfilment of the following conditions as required by Rule 19(2)(b) SCRR:

1. A minimum 2,000,000 Equity Shares (excluding reservations, firm Allotments and promoters contribution) are offered to the public;
2. The Net Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and
3. The Issue is made through the Book Building method with allocation of 60% of the Net Issue size to QIBs as specified by SEBI.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

SEBI DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED 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 THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ENAM SECURITIES PRIVATE LIMITED (FORMERLY ENAM FINANCIAL CONSULTANTS PRIVATE LIMITED), KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND THE CO-BOOK RUNNING LEAD MANAGER SPARK CAPITAL ADVISORS (INDIA) PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE

FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGER HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 30, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

"(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS, MORE PARTICULARLY REFERRED TO IN THE ANNEXURE, IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

- **A) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
- **B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- **C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**

(III) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.

(IV) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

(V) WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/ TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS."

The filing of the Red Herring Prospectus does not, however, absolve the company from any liabilities under section 63 or section 68 of the companies act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Red Herring Prospectus."

The Book Running Lead Managers and the Co-Book Running Lead Manager and us accept no responsibility for statements made otherwise than in the Red Herring Prospectus or in the advertisement or any other material issued by or at our instance and anyone placing reliance on any other source of information would be doing so at his own risk.

All legal requirements pertaining to the issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Tamil Nadu at Chennai, in terms of section 56, section 60 and section 60B of the Companies Act.

Disclaimer from the Company and the BRLMs and the CBRLM

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not Issue, sell, pledge or transfer the Equity Shares of the Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Caution

Our Company, our Directors, the BRLMs and the CBRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site www.ccclindia.com, would be doing so at his or her own risk.

The BRLMs and the CBRLM accept no responsibility, save to the limited extent as provided in the MOU entered into between the BRLMs, CBRLM and us and the Underwriting Agreement to be entered into between the Underwriters and us.

All information shall be made available by us and the BRLMs and the CBRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

The Company, the Directors, the BRLMs and the CBRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, www.ccclindia.com, would be doing so at his or her own risk.

The BRLMs and the CBRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLMs, the CBRLM and the Company dated May 28, 2007 and the Underwriting Agreement to be entered into among the Underwriters and the Company.

All information shall be made available by the Company, BRLMs and the CBRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres etc.

Neither the Company nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are majors, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized 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 authorized under their constitution to hold and invest in shares, Public financial institutions as specified in Section 4A of the Companies Act, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, and to non-residents FIIs registered with SEBI and eligible NRIs provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Chennai, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been submitted to SEBI. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer clause of the NSE

As required, a copy of this offer document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as the "NSE"). NSE has given vide its letter ref : NSE/LIST/49971-W dated June 29, 2007 permission to us to use NSE's name in the offer document as one of the stock exchanges on which our securities are proposed to be listed. The NSE has scrutinised the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that the offer document 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 offer document; nor does it warrant that our securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company.

Every person who desires to apply for or otherwise acquires any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to, or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer clause of the BSE

Bombay Stock Exchange Limited ("the Exchange") has given *vide* its letter dated July 2, 2007, permission to our Company to use the Exchange's name in this Offer Document as one of the stock exchanges on which our securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of the offer document; or
- Warrant that our Company's securities will be listed or will continue to be listed on BSE; or
- Take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company; and it should not for any reason be deemed or construed to mean that the 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.

Filing

A copy of the Draft Red Herring Prospectus had been filed with SEBI at Corporation Finance Department, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, have been delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, Tamil Nadu at Chennai.

Listing

Applications shall be made to the NSE and BSE for permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange with which the basis of Allotment will be finalized.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of refusal or within 15 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalization of the basis of Allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

(a) Makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) Otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name

shall be punishable with imprisonment for a term which may extend to five years.”

Consents

Consents in writing of: (a) the Directors, the Compliance Officer, the auditors, the legal advisors, the Bankers to the Company; and (b) the Book Running Lead Managers and the Co Book Running Lead Manager, the Escrow Collection Banks and the Registrar to the Issue to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 1956 and the SEBI Guidelines, Murali and Associates, Chartered Accountants, the Company’s Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the 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 RoC.

ICRA Limited, the IPO grading agency, has given its written consent to the inclusion of their report in the form and context in which it is referred in the Red Herring Prospectus and such consent and report has not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Designated Stock Exchange.

Expert Opinion

Except as stated in this Red Herring Prospectus, we have not obtained any expert opinions.

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 under:

(Rs. in million)

Activity	Expenses *
Lead management, underwriting and selling commission	[●]
Advertising and Marketing expenses	[●]
Printing and stationery	[●]
Others (Registrars fee, legal fee, listing fee, IPO grading fees etc.)	[●]
Total estimated Issue expenses	[●]

**To be completed after finalization of issue price*

Fees Payable to the BRLMs, CBRLM and Syndicate Member

The total fees payable to the BRLMs, the CBRLM and the Syndicate Member (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the BRLMs and the CBRLM dated April 30, 2007, a copy of which is available for inspection at our registered office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding dated May 28, 2007 signed with our Company a copy of which is available for inspection at the registered office of our Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the Last Five Years

We have not made any public or rights issues during the last five years.

Previous issues of shares otherwise than for Cash

Except as stated in this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Equity Shares

There has been no public issue in the past of our Company's Equity Shares. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception. However, the company has spent Rs. 145.00 lacs towards issue of shares on private placement basis to UTI Venture Capital Funds and Evolvence Fund.

Companies under the Same Management

Except as stated in this Red Herring Prospectus, we do not have any companies under the same management within the meaning of section 370(1) (B) of the Companies Act.

Promise v/s performance

Neither our Company, our Subsidiaries, nor any group or associate companies have made any previous public or rights issues.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds.

Outstanding Preference Shares

Our Company does not have any outstanding preference shares.

Stock Market Data of our Equity Shares

This being an initial public issue of the Company, the Equity Shares are not listed on any stock exchange.

Purchase of Property

Other than as disclosed in this Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus, other than property, in respect of which:

1. The contract for the purchase or acquisition was entered into in the ordinary course of business, nor was the contract entered into in contemplation of the Issue, nor is the issue contemplated in consequence of the contract; or
2. The amount of the purchase money is not material.

Except as stated in this Red Herring Prospectus, the Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances by the Company

We estimate that the average time required by the Company or the Registrar to the Issue for the redressal of routine investor grievances shall be ten working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. M.V. M. Sundar as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

No.5, Second Link Street
CIT Colony, Mylapore
Chennai 600 004
Tel: (91 44) 2466 1083
Fax: (91 44) 2499 0225
Email: investors@ccclindia.com
Website: www.ccclindia.com

Changes in Auditors

There has been no change in our statutory auditors for the last three financial years.

Capitalisation of Reserves or Profits

Our Company has not capitalized our reserves or profits during the last five years, except as stated in the section titled "Capital Structure" on page 21.

Revaluation of Assets

The Company has not revalued its assets in the last five years.

Payment or benefit to officers of our Company

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

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of this Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The present Issue has been authorized by the Board of Directors in their meeting on March 12, 2007, and by the shareholders of our Company at an Extra Ordinary Meeting held on April 16, 2007.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank pari-passu with the existing Equity Shares of our Company in all respects, including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment.

Mode of Payment of Dividend

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

Face Value and Issue Price

The face value of the Equity Shares is Rs.10 each and the Issue Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Guidelines

We shall comply with all norms and guidelines specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of Our Articles of Association" on page 230.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Guidelines, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 12 Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Chennai, Tamil Nadu, India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

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

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require to change their 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 Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Further in terms of Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees to whom Equity Shares will be Allotted will not be less than 1,000.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. See "Main Provisions of our Articles of Association" on page 230.

ISSUE STRUCTURE

The present Issue of 3,700,000 Equity Shares, at a price of Rs. [●] for cash aggregating Rs. [●] million, is being made through the 100% Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	At least 2,220,000 Equity Shares	Up to 370,000 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 1,110,000 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue size available for Allotment/ allocation	At least 60% of Issue being allocated. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Up to 10% of Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 30% of Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) 111,000 Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) 2,109,000 Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000.	12 Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid/Allotment Lot	12 Equity Shares in multiples of 12 Equity Shares	12 Equity Shares in multiples of 12 Equity Shares	12 Equity Shares in multiples of 12 Equity Shares
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds	Eligible NRIs, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Resident Indian individuals, HUF (in the name of Karta), Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed Rs. 0.1 million in value.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.		
Terms of Payment	QIB Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.
Margin Amount	At least 10% of Bid Amount	Full Bid Amount on bidding	Full Bid Amount on bidding

* Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19 (2)(b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, up to 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the CBRLM and the Designated Stock Exchange.

** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

Bidding/ Issue Programme

BID/ISSUE OPENS ON	**:**	**TUESDAY,**	**SEPTEMBER 18, 2007**
BID/ISSUE CLOSES ON	**:**	**FRIDAY,**	**SEPTEMBER 21, 2007**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m and 3.00 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, Bids shall be accepted only between 10.00 a.m and 1.00 p.m (Indian Standard Time)** and uploaded till (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders and (ii) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

The Company reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid /Issue Opening Date.

In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the NSE and the BSE, by issuing a press release, and also by indicating the change on the web site of the BRLMs, CBRLM and at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital of the Company, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, up to 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, the Company in consultation with the BRLMs and the CBRLM, as the case may be, may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Indian public, Eligible NRIs applying on a non-repatriation basis	White
Non-Residents, Eligible NRIs, FVCIs, FIIs etc applying on a repatriation basis	Blue

Who can Bid?

1. Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians 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, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable).;
7. FIIs registered with SEBI;
8. Venture Capital Funds registered with SEBI;

9. State Industrial Development Corporations;
10. Multilateral and Bilateral Development Financial institutions on a repatriable basis.
11. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
12. Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
13. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
14. Subject to the applicable law, Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
15. Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares; and

Note: The BRLMs and the CBRLM shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Book Running Lead Managers, Co Book Running Lead Managers and Syndicate Member may subscribe to Equity Shares in the Issue either in the QIB Portion or in Non Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis.

The information below is given for the benefit of the Bidders. The Company and the BRLMs and the CBRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than 111,000 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by NRIs

1. Bid cum application forms have been made available for NRIs at our registered /corporate office, members of the Syndicate of the Registrar to the Issue.
2. NRI applicants may note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of 3,695,544 Equity Shares of Rs. 10 each). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital. The said 24% limit can be increased up to 100% by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by SEBI registered Venture Capital Funds

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds:

The SEBI (Venture Capital) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI. Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Information for the Bidders:

a) The Company will file this Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

b) The Company, the BRLMs and the CBRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same in three widely circulated newspapers (one each in English, Hindi and Tamil). This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Schedule XX – A of the SEBI DIP guidelines, as amended by SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 date January 25, 2005.

c) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

d) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate and should approach any of the BRLMs or CBRLM or Syndicate Member or their authorized agent(s) to register their Bids.

e) The Members of the Syndicate shall accept Bids from the Bidder during the Issue Period in accordance with the terms of the Syndicate Agreement.

f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

g) The Bidding/Issue Period shall be for a minimum of three working days and not exceeding seven working days. In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to NSE and BSE, by issuing a public notice in three widely circulated newspapers (one each in English and Hindi) and one Tamil newspaper, and also by indicating the change on the websites of the BRLMs and the CBRLM and at the terminals of the Syndicate Member.

h) The Price Band has been fixed at Rs. 460 to Rs. 510 per Equity Share of Rs. 10 each. The Bidders can bid at any price with in the Price Band, in multiples of Re. 1.

i) The Company in consultation with the BRLMs and the CBRLM reserves the right to revise the Price Band, during the Bidding/Issue Period, in accordance with SEBI Guidelines. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.

j) The Company in consultation with the BRLMs and the CBRLM can finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

Maximum and Minimum Bid Size

a) For Retail Individual Bidders: The Bid must be for a minimum of 12 Equity Shares and in multiples of 12 Equity Share thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

b) For Other Bidders (Non-Institutional Bidders and QIBs): The Bid must be for a minimum of such number of Equity Shares in multiples of 12 Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 12 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

Method and Process of Bidding

a) Our Company, the BRLMs and the CBRLM shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with ROC and also publish the same in two widely circulated newspapers (one each in English and Hindi) and one widely circulated Tamil Newspaper. This advertisement shall contain the minimum disclosures as specified under Schedule XX-A of the SEBI Guidelines. The members of the Syndicate shall accept Bids from the Bidders during the Bidding /Issue Period in accordance with the terms of the Syndicate Agreement. Investors who are interested in subscribing to out Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.

b) 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 the Bidding Period may be extended, if required, by an additional three days, subject to the total Bidding Period not exceeding 10 working days.

c) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" on page 211 within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

d) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Bids at Different Price Levels and Revision of Bids" on page 211.

e) The Members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

f) During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

g) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment and Payment into the Escrow Accounts" on page 216.

Bids at Different Price Levels and Revision of Bids

a. The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders, applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB, Non-Institutional Bidders, bidding in excess of Rs. 100,000 and such Bids shall be rejected.

b. Retail Individual Bidders who bid at the Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall deposit the Bid Price based on the higher end of the Price Band in the Escrow Account. In the event the Bid Price is higher than the subscription amount payable by the Retail Individual Bidders, as the case may be, who Bid at Cut off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders who Bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account or the Refund Account as the case may be.

c. The Bidding/Issue Period shall be for a minimum of three working days and not exceeding seven working days. In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to NSE and BSE, by issuing a public notice in three widely circulated newspapers (one each in English and Hindi) and one Tamil newspaper, and also by indicating the change on the websites of the BRLMs and the CBRLM and at the terminals of the Syndicate Member.

d. The Price Band has been fixed at Rs. 460 to Rs. 510 per Equity Share of Rs. 10 each. The Bidders can bid at any price with in the Price Band, in multiples of Re. 1.

e. 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 higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed Rs. 1,00,000 for Retail Individual Bidders, if such Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from such Bidder and such Bidder is deemed to have approved such revised Bid at Cut-off Price.

f. 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.

g. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 12 Equity Shares irrespective of whether the Bid Price payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

h. During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

i. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

j. The Bidder can make this revision any number of times during the Bidding/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.

k. 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.

l. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the BRLMs and the CBRLM and/or their affiliates shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

m. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Bids and revisions of Bids must be:

a. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRIs and FIIs applying on a repatriation basis).

b. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

c. For Retail Individual Bidders, the Bid must be for a minimum of 12 Equity Shares and in multiples of 12 Equity Shares, thereafter subject to a maximum Bid Amount of Rs. 100,000.

d. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of 12 Equity Shares that the Bid Price exceeds or equal to Rs. 100,000 and in multiples of 12 Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

e. NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares in multiples of 12 Equity Shares and in multiples of 12 Equity Shares thereafter that the Bid Price exceeds Rs. 100,000.

f. Bids by Non Residents, NRIs, FVCIs, FIIs etc. on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

g. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

h. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Electronic Registration of Bids

1. 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 in each city, where a stock exchange is located in India and where Bids are being accepted.

2. The NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Member can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a half hourly basis. On the Bid/ Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs and the CBRLM on a regular basis Bidders are cautioned that a high inflow of

bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not uploaded will not be considered for allocation. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

3. The 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 centres and the website of NSE and BSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding / Issue Period.

4. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

   1. Name of the investor.
   2. Investor Category – Individual, Corporate, FII, NRI, Mutual Fund etc.
   3. Numbers of Equity Shares bid for.
   4. Bid price.
   5. Bid cum Application Form number.
   6. Whether Margin Amount has been paid upon submission of Bid cum Application Form.
   7. Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

5. A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/allotment either by the members of the Syndicate or our Company.

6. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

7. In case of QIB Bidders, the BRLMs and the CBRLM and/or their affiliates have the right to accept the bid or reject the Bids. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders, Retail Individual Bidders would not be rejected except on the technical grounds listed on page 219.

8. 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/or the BRLMs and the CBRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company.

9. It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this 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.

10. Only bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the NSE or the BSE and the members of the Syndicate, the decision of the BRLMs and the CBRLM based on the physical records of Bid Application Forms shall be final and binding on all concerned.

GENERAL INSTRUCTIONS

Do's:

a. Check if you are eligible to apply;

b. Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application Form (blue in colour) as the case may be;

c. Ensure that the details about Depository Participant and Beneficiary Account are correct as allotment of Equity Shares will be in the dematerialized form only;

d. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

e. Ensure that you have been given a TRS for all your Bid options;

f. Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

g. Where Bid(s) is/are for Rs. 50,000/- or more, each of the Bidders, should mention their PAN allotted under the IT Act. The copies of the PAN Card or PAN allotment letter should be submitted with the Bid cum Application form. 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;

h. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

i. Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

a. Do not bid for lower than the minimum Bid size;

b. Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

c. Do not bid on another Bid cum Application Form after you have submitted a Bid to the member of the Syndicate;

d. Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

e. Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

f. Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders) for bid amount in excess of Rs. 100,000;

g. Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

h. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs or the CBRLM or the registrar or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE

DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ECS credit or credit through Direct Credit, NEFT or RTGS for refunds/CANs/Allocation advice and printing of Company particulars on the refund order and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, nor the Registrar, Escrow Collection Bank(s) nor the BRLMs nor the CBRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company in its absolute discretion, 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.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

All applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association 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 therefor.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the

Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMs and the CBRLM may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism

The Company and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement 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 Company, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms.

1. Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The Margin Amount payable by each category of Bidders is mentioned under "Issue Structure" on page 204. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.
2. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Price, any difference between the amount payable by the Bidder for Equity Shares allocated/allotted at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs and the CBRLM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
    1. In case of resident QIB Bidders: **"**Escrow Account– CCCL Public Issue – QIB – R"

2. In case of Non Resident QIB Bidders: **“**Escrow Account– CCCL Public Issue – QIB – NR”
3. In case of Resident Retail Bidders and Non Institutional Bidders : **“**Escrow Account– CCCL Public Issue – R”
4. In case of Non Resident Retail Bidders and Non Institutional Bidders: **“**Escrow Account– CCCL Public Issue – NR”

4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
5. In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.
6. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated\ will be refunded to the Bidder from the Refund Account.
7. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.
8. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/ Postal orders will not be accepted.
9. Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
10. Incase clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. Bid/ Application by can be made also in the “Issue” and such bids shall not be treated as multiple bids.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications are electronically strung on first name, address and applicants status. These applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husbands name to determine if they are multiple applications.
2. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. Applications with common DP ID/ beneficiary ID are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
3. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

The Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

In cases where there are more than 20 valid applicants having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of KYC norms by the depositories.

Permanent Account Number or 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 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 PAN 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 ("UIN")

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations for obtaining UIN and the requirement to contain/quote UIN under the SEBI 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 UINs 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 the Draft 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.

GROUNDS FOR REJECTIONS

In case of QIB Bidders, the BRLMs and the CBRLM and/or their affiliates have the right to reject the Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, and Retail Individual Bidders who bid our the Company has a right to reject Bids based on technical grounds.

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN 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;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional and QIB Bidders bidding in excess of Rs. 100,000;
- Bids for number of Equity Shares which are not in multiples of 12;
- Category not ticked;
- Multiple Bids as defined in this Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the BRLMs or the CBRLM or Syndicate Member;
- Bid cum Application Forms does not have Bidder’s depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant’s identity (DP ID) and the beneficiary’s account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect where the Bid cum Application form do not reach the Registrar prior to the finalisation of the basis of allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by Non-residents such as OCBs;
- Bids by US persons other than “Qualified Institutional Buyers” as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securities Act;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

- Bids not uploaded in the Book would be rejected; and
- Bids or revision thereof by OIB Bidders and Non– Institutional Bidders where the Bid amount is in excess of Rs. 100,000, uploaded after 5.00 p.m. or any such time as prescribed by Stock Exchange on the Bid / Issue closing Date.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLMs and the CBRLM will analyse the demand generated at various price levels.
2. The Company in consultation with the BRLMs and the CBRLM shall finalise the "Issue Price".
3. The allocation to QIBs will be atleast 60% of the Issue and allocation to Non-Institutional and Retail Individual Bidders will be up to 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and the Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.
4. Under-subscription, if any, in the Non-Institutional category and the Retail Individual category would be met with spill over from any other category at the sole discretion of our Company in consultation with the BRLMs and the CBRLM. However, if the aggregate demand by Mutual Funds is less than 111,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the CBRLM, and the Designated Stock Exchange.
5. Allocation to Eligible NRIs, FVCIs, FIIs etc. applying on repatriation basis will be subject to applicable law and the terms and conditions stipulated by the RBI, while granting permission for allotment of Equity Shares to them in this Issue.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the BRLMs and the CBRLM and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s)/ Allotment to the Bidders.

(b) After signing the Underwriting Agreement, the Company would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

(c) The Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

(d) The Company will issue an advertisement after the filing of the Prospectus with the RoC in three widely circulated newspapers (one each in English, Hindi and Tamil). This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMs, the and the CBRLM or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The BRLMs and the CBRLM and/or their affiliates would dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the allotment to such Bidder.

(d) The Issuance of CAN is subject to "Allotment Reconciliation and Revised CANs" as set forth herein.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid Applications received. Based on the electronic book, QIBs will be sent a CAN as required, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. It is not necessary that a revised CAN will be sent. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased Allotment of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and allotment of Equity Shares

a. The Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of allotment.

b. In accordance with the SEBI Guidelines, Equity Shares will be issued and allotment shall be made only in the dematerialised form to the allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/allotted to them pursuant to this Issue.

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

1. Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
2. The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to 1,110,000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
4. If the aggregate demand in this category is greater than 1,110,000 Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis up to a minimum of 12 Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

(A) Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

(B) The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

(C) If the aggregate demand in this category is less than or equal to 370,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

(D) In case the aggregate demand in this category is greater than 370,000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 12 Equity Shares. For the method of proportionate basis of Allotment refer below.

D. For QIBs

1. Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.
2. The QIB Portion shall be available for Allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
3. Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

(i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

(ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, and not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

i. In the event of over subscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

ii. However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for 111,000 Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled "Illustration of Allotment to QIBs" appearing below. If the valid Bids by Mutual Funds are for less than 111,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to 60% of the Net Issue size, i.e. 2,220,000 Equity Shares.

1. The aggregate Allotment to QIB Bidders shall not be less than 2,200,000 Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1	Issue size	200 million equity shares
2	Allocation to QIB (60%)	120 million equity shares
	Of which:	
	a. Allocation to MF (5%)	6 million equity shares
	b. Balance for all QIBs including MFs	114 million equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million equity shares

B. Details of QIB Bids

S.No.	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

 # A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	11.40	0
A2	20	0	4.56	0
A3	130	0	29.64	0
A4	50	0	11.40	0
A5	50	0	11.40	0
MF1	40	1.2	9.12	10.32
MF2	40	1.2	9.12	10.32
MF3	80	2.4	18.24	20.64
MF4	20	0.6	4.56	5.16
MF5	20	0.6	4.56	5.16
	500	**6**	**114**	**51.64**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in "Issue Structure" on page 204.

2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 million shares in QIB category.

3. The balance 114 million Equity Shares (i.e. 120 - 6 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 million Equity Shares (including 5 MF applicants who applied for 200 million Equity Shares).

4. The figures in the fourth column titled "Allocation of balance 114 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

   a. For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 114 / 494

   b. For Mutual Funds (MF1 to MF5)= (No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above) X 114/494

   c. The numerator and denominator for arriving at allocation of 114 million shares to the 10 QIBs are reduced by 6 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company shall finalize the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the CBRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorized according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than 12 Equity Shares per Bidder, the Allotment shall be made as follows:

   1. The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

   2. Each successful Bidder shall be allotted a minimum of 12 Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than 12 but is not a multiple of 1 (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

PAYMENT OF REFUNDS

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs nor the CBRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refunds would be mandatorily done through ECS for applicants having an account at any of the following fifteen centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by Registrar from the depository participants.
2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
3. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Letters of Allotment or Refund Orders

The Company shall give credit to the beneficiary account with depository participants within two working days from the date of the finalization of basis of allocations. Applicants residing at fifteen centers where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. We shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, the Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date; and
- The Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as Escrow Collection Banks 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.

Disposal of applications and application moneys and interest in case of delay

The Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company further undertake that:

1. Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid/Issue Closing Date;
2. Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and
3. The Company shall pay interest at 15% (fifteen) per annum for any delay beyond the 15 (fifteen)-day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

UNDERTAKINGS BY OUR COMPANY

We undertake the following:

1. That the complaints received in respect of this Issue shall be attended to by us expeditiously;
2. 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;
3. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.

4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time; and
6. No further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of proceeds of Issue

Our Board of Directors certify that:

1. All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
2. Details of all monies utilised out of Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
3. Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;
4. Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Withdrawal of the Issue

The Company in consultation with the BRLMs and the CBRLM reserves the right not to proceed with the Issue at anytime including after the Bid/Issue Opening Date without assigning any reason thereof. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing date.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the allotment of Equity Shares in this Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated August 22, 2007 with NSDL, the Company and the Registrar to the Issue.
2. Agreement dated June 28, 2007 with CDSL, the Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. 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.
2. The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid cum Application Form or 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.

5. 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.
6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
7. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
8. The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

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

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Under the current foreign investment policy applicable to us foreign equity participation up to 100% is permissible under the automatic route.

Subscription by foreign investors (NRIs/FIIs)

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

There is no reservation for Non Residents, NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per existing regulations, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The Company, BRLM, and the CBRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of the Company

References to articles in this section refer to the corresponding articles in the Articles of Association of the Company

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association of the Company are detailed below:

PART I

1. Save as permitted by section 77 of the Act, the funds of the Company shall not be employed in the purchase of, or lent on the security of shares of the Company and Company shall not give, directly or indirectly, any financial assistance, whether byway of loan, guarantee, the provision of security or otherwise for the purpose of or in connection with any purchase of or subscription for shares in the Company or in its holding Company nor shall the Company make a loan for any purchase whatsoever on the security of its shares or those of its holding Company.
2. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time thing fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.
3. As regards all allotments made from time to time the Company shall duly comply with Section 75 of the Act.
4. The Company may exercise the powers of paying commission conferred by section 76 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the commission shall not exceed 5 per cent of the price at which any shares, in respect where of the same is paid are issued or 2 per cent of the price at which any debentures are issued (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly by the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.
5. With the previous authority of the Company in General Meeting and upon otherwise complying with Section 79 of the Act, the Board may issue at a discount shares of a class already issued.
6. The Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery and appliances supplied, or for services rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business, and any shares which may be so allotted, may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares. The Directors shall in making the allotments duly observe the provision of the Act: The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and
7. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person, who, for the time being, shall be registered holder of the share or in the event of the death of the holder by his executor or administrator.
8. The joint holders of a share be severally as well as jointly liable for the payment of all installments and calls due in respect of such share.
9. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as required by statute, be bound to recognise any equitable, contingent future or partial interest in any share or other claim to or interest in any such share on the part of any other person.

10. Share may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as joint holders of any share.

11. Subject to the provisions of these Articles, the Company shall have power to issue preference shares carrying a right to redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the Company and the Board may, subject to the provisions of Section 80 of the Act, exercise such power in such manner as may be provided in these articles.

CERTIFICATES

12. 1) The issue and sealing of share certificates and duplicates and the issue and sealing of new share certificates on consolidation or sub-division or in replacement of share certificates which are surrendered for cancellation due to their being defaced, torn, old, decrepit or worn out or the cages for recording transfers have been utilised or of share certificates which are lost or destroyed shall be in accordance with the provisions of the Companies (issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof. If any share certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given, a new certificate in lieu thereof shall be given to the person entitled to the shares to which such lot of destroyed certificate shall relate.

Share Certificate shall be issued in marketable lots and where share certificates are issued either more or less than the marketable lots, sub-division or consolidation into marketable lots shall be done free of charge.

2) Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors may determine from time to time) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder. . The Company shall comply with the provisions of Section 113 of the Act. For every duplicate certificate the Board may change such out-of-pocket expenses incurred by the Company in investigating evidence as the Board may determine. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorneys and the secretary or other persons shall sign the Share Certificate, provided that if the composition of the Board permits, atleast one of the aforesaid two Directors shall be a person other than the Managing 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 date of issue.

3) 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 rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials use for the purpose.

4) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for

issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act. or rules applicable in this behalf. The provision of these Articles shall mutatis mutandis apply to debentures of the Company.

5) When a new share certificate has been issued in pursuance of clause(4) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No………… sub-divided/replaced on consolidation of shares. When a new certificate has been issued in pursuance of clause (4) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No……. The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of clauses (3) and (4) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it, the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column. All blank forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

6) The rules under "The Companies (Issue of Share Certificate) Rules, 1960 shall be complied with in the issue, reissue, renewal of share certificates and the format sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said rules. The Company shall keep ready share certificates for delivery within 2 months after allotment.

7) The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.

8) If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

CALLS

13. The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions, of Section 91 of the Act, make such calls as the Board think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or byway of premium) and not be the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the person and at the times and places appointed by the Board. A call may be made payable by instalments. The Board of Directors when making a call by resolution may determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no such date as aforesaid is fixed, the call shall be deemed to have been made on the date on which the resolution of the Board making the call is passed.

14. No call shall be made payable within one month after date when the last preceding call was made payable. Not less than one months notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

15. I. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the share for which the call shall have been made or the instalment shall be due shall pay interest for the same at the rate of twelve per cent, per annum from the date appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.

    II. The Board shall be at liberty to waive payment of any such interest either wholly or in part.

16. If by the terms of issue of any share or otherwise any amount is made payable at the fixed time or by instalments at fixed time, whether on account of the amount of the share or by way of premium every such amount or instalment shall be

payable as if it were a call duly made by the Board and of which due notice had been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

17. Subject to the provisions of any law in force to the contrary on the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the Register as a holder or one of the joint holders of the number of shares in respect of which such claim is made, and that the amount claimed is not enter as paid in the books of the company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board Meeting at which any call was made nor that the Meeting at which any call was made duly convened or constituted, nor any other matter whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

18. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

    The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

    The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

    A call may be revoked or postponed at the discretion of the Board.

FORFEITURE AND LIEN

19. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member 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.

20. The notice shall name a day (not being less than one month from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time at the place appointed, the shares in respect of which such class was made or instalment is payable will be liable to be forfeited.

21. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

22. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

23. The forfeiture of a share shall involve the extinction, at the time of forfeiture of all interest in and all claims and demands against the Company, in respect of that share, and all other rights incidental to the share except such as are by these articles expressly saved.

24. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.

25. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annual the forfeiture thereof upon such conditions as it thinks fit.

26. A person whose share has been forfeited shall cease to be a member in respect of the forfeited share but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay to the Company all calls or instalments,

interest and expenses owing upon or in respect of such share, at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at twelve percent per annum and the Board may enforce the payment thereof.

The liability to make payment provided for under this clause shall cease if and when the Company shall have received payment in full of all such moneys in respect of the share.

27. A duly verified declaration in writing that the declarant is a Director, Managing Director, duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declarations and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof shall constitute a good title to such share.

    The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

    The transferee shall thereupon be registered as the holder of the share. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the 'forfeiture', sale or disposal of the share.

28. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as here in before provided.

29. The provision of the Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

30. The company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/ debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys(whether presently payable or not) called or payable at a fixed time in respect of such shares/ debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

    The Board of directors may at anytime exempt any classes of shares from the application of this provision.

31. For the purpose of enforcing such lien, the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sale shall have been served on such member, his executors or administrators or his committee, curtor bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such shares for one month after the date of such notice.

32. The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

33. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the Register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings, not to the application of the purchase money, and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sate shall be in damages only and against the company exclusively.

34. Where any share under the powers in the behalf herein contained is sold by the Board and the certificate in respect thereof has been delivered up to the Company by the former holder of such share, the Certificate shall ipso facto stand cancelled

and become null and void. The Board may issue a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered up.

TRANSFER AND TRANSMISSION

35. Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any of the transferee has been delivered to the Company together with the certificate relating to the share or, if no such certificate is in existence, the letter of allotment of the share. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address.

36. Application for registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall, in case of a partly paid share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act and subject to the provisions of these Articles the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same condition as if the application for registration of the transfer was made by the transferee. The Company shall keep a “Register of Transfers” and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

37. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. Every such instrument of transfer shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof. The instrument of transfer shall be in respect same class of shares and should be in the form prescribed under the Act. The Company shall use a common form of transfer in all cases.

    No fee shall be charged for registration or transfer or for effecting transmission or for registering any letters of probate, letters of administration and similar other document.

38. Subject to the provisions of Section 111, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

39. Shares shall not be transferred or registered in the name of a Firm or minor or person of unsound mind.

40. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferor of his right to transfer the share. Every instrument of transfer which shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

41. If the Board refuses whether in pursuance of Article 42 or otherwise to register the transfer of, or the transmission by operation of law of the right to, any share, the Company shall give notice of the refusal in accordance with the provision of Section III (2) of the Act.

42. On giving not less seven days previous notice by advertisement in some newspaper circulating in the district in which the Registered office is situated, the Transfer Books and Register of Members may be closed during such time as the Directors think fit not exceeding on the whole forty five days in each year, but not exceeding thirty days at a time.

43. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice, thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

44. The executor or administrator of a deceased member (not being one of several joint holders) shall be the only person recognised by the Company as having any title to the shares registered in the name of such member and in case of death of any one or more of the joint holders shall be the only person or persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on the share held by him jointly with any other person. Before recognising any executor or administrator the Board may require him to obtain a grant of Probate or Letters of Administration, Succession Certificate of other legal representation, as the case may be form a competent Court in India and having effect in Chennai provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense with the production of Probate of Letters of Administration, Succession Certificate or such other legal representation, upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may consider adequate.

45. Any Committee or guardian of a lunatic member or any person become entitled to or to transfer a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which the proposes to act under this Article or of his title as the Board thinks sufficient, may with the consent of the Board (which the Board shall not be bound to give), be registered as a member in respect of such share, or may, subject to the regulations as to transfer herein before contained, transfer such share. This Article is herein after referred to as the “Transmission Article”.

46. 1) If the person so becoming entitled under the Transmission Article shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him starting that he so elects.

2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.

3) The Board shall have the same right to decline or suspend registration as it would have had, if the deceased, lunatic or insolvent member had transferred the shares before his death, lunacy or insolvency.

4) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of instruments of transfer of a share shall be applicable to a such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency the member had not occurred and the notice transfer were a transfer were a transfer signed by that member.

47. A person becoming entitled to a share by reason of the death, lunacy, bankruptcy insolvency of the holder shall, be entitled to the same dividends and other advantages as would be entitled to if he were the registered holder of the share, except that he shall not before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

INCREASE AND REDUCTION OF CAPITAL

48. The Company in General Meeting may, from time to time by Special Resolution increase capital by the creation of new shares of such amount as may be deemed expedient.

49. Subject to any special rights to privileges for the time being attached to any shares in the capital of the Company then issue, the new shares may be issued upon such terms and conditions and with such rights and privileges attached thereto

as may be determined by a Special Resolution passed by the company, and, if no direction be given, as the Board 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.

50. Except so for as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of them contained with reference to the payment of dividends, calls and instalments, transfer and transmission, forfeiture, lien surrender and otherwise.

51. If, owning to any inequality in the number of-new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficult shall arise in the apportionment of such new shares, or any of them amongst the members, such difficulty shall in the absence of any direction in the resolution creating the shares or by the Company in General Meeting, be determined by the Board.

52. The Company may from time to time, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve account or Share Premium Account in any manner and with and subject to any incident authorised and consent required by taw.

53. Subject to the provisions of Section 100 to 104 of “the Act, the Board may accept from any member the surrender, on such terms and conditions as shall be agreed, of all or any of its shares.

54. Except so far as otherwise provided by the conditions of the issue or by these presents any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

55. The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable.

56. **FURTHER ISSUE OF SHARES**

1. Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares then :

   (a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;

   (b) The offer aforesaid 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;

   (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;

   (d) 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 of Directors may dispose of them in such manner as they think most beneficial to the company.

2. Notwithstanding anything contained in subclause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

   (a) If a special resolution to that effect is passed by the company in general meeting, or

   (b) Where no such 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.

3. Nothing in sub-clause (c) of (1) hereof shall be deemed :

   (a) To extend the time within which the offer should be accepted; or

   (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

4. Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued by the company :

   (a) To convert such debentures or loans into shares in the company; or

   (b) To subscribe for shares in the company

   PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term :

   (a) Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

   (b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in General Meeting before the issue of the loans.

57. Notwithstanding anything contained in sub-clauses(s) 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 or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

58. Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member.

59. The Board shall observe the restrictions as regards allotment of shares to the public contained in Section 69 and 70 of the Act, and as regards return on allotments, the Directors shall comply with Section 75 of the Act.

60. 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 inscription of the name of 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.

61. Every Member or his heir's executors or administrators 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.

DEMATERIALISATION OF SECURITIES

62. I. For the purpose of this Article:

"*Beneficial Owner*" means a person whose name is recorded as such with a depository.

"*Bye-Laws*" means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

"*Depositories Act*" means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

"*Depository*" means a Company formed and registered under the Act and which has been granted a Certificate of Registration under the Securities and Exchange Board of India Act 1992.

"*Member*" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

"*Participant*" means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

"*Record*" includes the records maintained in form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

"*Registered OWNER*" means a depository whose name is entered as such in the records of the Company.

"*SEBI*" means the Securities and Exchange Board of India .

"*Security*" means such security as may be specified by the Securities and Exchange Board of India from time to time.

Words imparting the singular number only includes the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

(ii) Either the Company or the investor may exercise an option to issue, de-link, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(iii) Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(iv) Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(v) All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami, Trust Equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as 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 expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(vii) Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a 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.

(viii) The Company shall cause to be kept a Register and Index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(ix) Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered owner in respect of the said securities and shall also inform the Depository accordingly.

(x) Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(xi) Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(xii) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(xiii) The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the share of the Company which are in dematerialized form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(xiv) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act, 1996.

(xv) Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(xvi) If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(xvii) Provisions of the Articles will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these presents.

63. i. Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall rest in the event of his death.

ii. Where the shares in or debentures of the Company or 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 shall rest in the event of death of all the joint holders.

iii. Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

iv. Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.

v. Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

   a) To be registered himself as holder of the shares or debentures as the case may be, or

   b) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

vi. If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a Death Certificate of the deceased share holder or debenture holder as the case may be.

vii. All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

viii. A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

   Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

ix. A Depositor may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

BUY BACK OF SECURITIES

64. The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), re promulgation (s) or re- enactment(s) thereof.

COPIES OF MEMORANDUM AND ARTICLES

65. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of such sum as may be prescribed.

ALTERATION OF CAPITAL

66. The Company in General Meeting may from time to time:

   a) Consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares',

   b) Sub-divide its existing shares or any of them into share of smaller amount than is fixed by the Memorandum so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived: and

   c) Cancel, any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capita) by the amount of the shares so cancelled.

MODIFICATION OF RIGHTS

67. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three fourths of the issued shares of that class or with the sanction of Special Resolution passed at a separate Class Meeting of the holders of the issued shares of that class.

    To every such separate Class Meeting, the provisions applicable to General Meetings shall apply, provided that quorum for such class meeting shall be three members present in person.

SHARE WARRANTS

68. (a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

    (b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

69. (a) The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register or Members as the holder of the shares included in the deposited warrant.

    (b) Not more than one person shall be recognized as the depositor of the share warrant.

    (c) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

70. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

    (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be member of the Company.

71. The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK

72. The Company in General Meeting may, by an Ordinary Resolution, convert any fully 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 interest 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. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose.

73. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit and the directors may from time to time, fix the minimum amount of stock transferable, provided that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

74. The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares have conferred by that privileges or advantage.

75. Such of the Articles of the Company as are applicable to paid-up shares apply to stock and the words 'Share' and 'Shareholders' therein shall include 'Stock' and 'Stockholder' respectively.

BORROWING POWERS

76. The Board of Directors may subject to the provisions of the Act borrow money for the purpose of the Company on such terms and on such conditions and on such security or otherwise as they may deem fit, provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business for working capital requirements and loans from the holding Company) shall not without the sanction of the Company in General Meeting exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

77. a) The Board of Directors may, at any time, with such sanction of the Company in General Meeting as may be required under the provisions of the Act mortgage, charge, pledge or hypothecate its undertakings, properties and assets of the Company, including the goodwill and uncalled capital or any part thereof as security for any loan borrowed or to be borrowed or for the due performance of any obligation undertaken by the Company and on such terms and conditions and in such manner as they may deem fit.

b) The Board of Directors may, from time to time, in exercise of the aforesaid borrowing powers issue debentures or debenture stocks of such terms and conditions as Company may deem fit charging the undertakings, properties, assets including goodwill and uncalled capital of the Company or any part thereof as security repayment of such debentures, debenture-stocks or other securities.

c) Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

78. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special' privileges as to redemption, surrender, drawing, allotment of shares, appointment of Directors and otherwise, debentures, debenture-stock bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Provided that the debentures, debenture stock and loan/loan stock with the right to allotment of or conversion into shares shall not be issued except in conformity with the provisions of Section 81(3) of the Act.

79. Subject to the provisions of Section 108 of the Act no transfer of registered debenture shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transfer and by or on behalf of the transferee has been delivered to the Company together with the Certificate or Certificates of the debenture.

80. a) The Board may at any time in their absolute discretion and without assigning any reason decline to register any transfer of debenture.

b) If the Board refuses to register the transfer of any debentures, the Company 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.

Provided that the registration of a transfer shall not be refused on the grounds the transfer is either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except on a lien on shares.

GENERAL MEETING

81. 1) The Company shall in each year held in addition to any other Meetings, a General Meeting as its Annual General Meeting and shall specify the Meeting as such in notices calling it: and not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next: provided that the time which any Annual General Meeting shall be held may be extended by the Registrar provided in Section 166(1) of the Act by a further period not exceeding three months.

2) Every Annual General Meeting shall, be called for at a time during business hours on day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated.

3) All other General Meetings shall be referred to as Extraordinary General Meeting.

82. The Directors may whenever they think fit convene an Extraordinary General Meeting at such time and such places as they deem fit. Subject to the directions if any given by the Board, the Managing Director or Secretary may convene Extraordinary General Meetings whenever he thinks fit at such time and place as he may deem fit.

83. The Directors shall, on the requisition of the holders of not less than one-tenth of such of the paid-up capital of the Company as at the date of the requisition, carries the right to vote in regard to the matter set out in the requisition for consideration of an Extraordinary General Meeting, forthwith proceed to convene an Extra-ordinary General Meeting of the Company and in case of such requisition the following provisions shall have effect:

1) The requisition must state the objects of the Meeting and must be signed by the requisitionists and be deposited at the Registered Office of the Company, and may consists of several documents in like from each signed by one or more requisitionists.

2) If the Directors of the Company do not proceed within twenty one days from the requisition being so deposited to cause a meeting to be called on a day not later than forty five days from the date of the deposit of the requisition.

a) The requisitionists, or

b) such of them as represent either a majority in value of the paid-up capital held by all of them or not less than one-tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter: may themselves convene the Meeting, but any meeting so convened shall not be held after three months from the date of the deposit of such requisition.

3) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which Meetings are to be convened by the Directors but shall be held at the Company's Registered Office.

4) A requisition by joint holders of shares may be signed by any or more of such holders.

84. All General Meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the share-holders and to such persons as are under Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting.

85. With the consent of all the members entitled to vote, at an Annual General Meeting or with the consent of the members holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

86. (a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the auditors.

(b) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

87. The accidental omission to give notice of any Meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of or any resolution passed at the Meeting.

PROCEEDINGS AT GENERAL MEETINGS

88. a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exemption of business relating to:

    I. the consideration of the accounts, Balance Sheet, report of the Directors and Auditors;

    II. the declaration of dividend:

    III. the appointment of Directors in the place of those retiring: and

    IV. the appointment and fixing of the remuneration of the Auditors.

    b) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, If any therein of every Director, the Managing Director and the Manager, if any. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

    Provided where any item of special business as aforesaid to be transacted at the Meeting of the Company relates to or affects any other company, the extent of shareholding Interest in that other company if every Director and the Managing Director of the Company, shall also be set out in the Statement.

89. Five members present in person and entitled to vote shall be a quorum for a General Meeting. A body corporate being a member entitled to vote shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

90. No business shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the business.

91. a) If within half an hour from the time appointed for holding a General Meeting, a quorum is not present at the meeting, if called upon the requisite of Members, shall stand dissolved.

    b) In any other case, the Meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine.

    c) If at the adjourned Meeting also a quorum is not present within half an hour from the time, appointed for holding the Meeting the Members present shall be a quorum.

92. Any act of resolution, which under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in Annual General Meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act unless either the Act or these Article specially require such act to be done or resolution passed by a Special Resolution as defined in Section 189(2) of the Act.

93. 1) The Chairman of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

    2) If there be no such Chairman, or if at any Meeting he shall not be present with 15 minutes after the time appointed for holding such Meeting or is unwilling to act as Chairman of the Meeting, the Members present shall choose another Directors as Chairman of the Meeting, and if no Director be present or if all the Directors present decline to take the Chair, then the Members present shall, on a show of hands or on a poll if property demanded, elect one of their member, being a member entitled to vote, to be Chairman of the Meeting.

94. No business shall be discussed at any General Meeting except the election of a chairman, whilst the chair is vacant.

95. 1) The Chairman may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the same from time to time and from place to place, but so business shall be transacted at any adjourned meeting other than the business left unfinished at the Meeting from which the adjournment took place.

    2) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of the original meeting but save as aforesaid it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjournment meeting.

96. Every resolution submitted to a meeting shall be decided in the first instance by a show of hands', and in the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting shall have a casting vote provided he is a member entitled to vote at the meeting and on the resolution.

97. At any General Meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179 of the Act, a declaration by the Chairman that the resolution has or has not been carried, or has or has not been carried either unanimously or by a particular majority, and an entry in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number of proportion of the votes cast in favour of or against the resolution.

98. At any General Meeting before or on the declaration of the result of voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member-or member present or by proxy and holding shares in the Company which confer a power in respect of the Resolution not being less than one tenth of the total voting power in respect of the Resolution, or on which an aggregate sum of not less than fifty thousand Rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

99. a) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with these presents, the Chairman elected on a show of hands exercising all the powers of the chairman under these presents.

b) If some other person is elected Chairman as a result of the poll, he shall be Chairman for the rest of the Meeting.

c) If poll is demanded on a question of adjournment, it shall be taken forthwith.

100. a) Where a poll is to be taken the Chairman of the Meeting shall appoint two scrutineers, one at least of whom shall be a member (not being an Officer or employee of the Company) present at the Meeting provided such a member Is available and willing to be appointed, they scrutinise the votes given on the poll and to report to him thereon.

b) The Chairman shall have power at any time, before the result (if the poll is declared, to remove a scrutineer from office and to fill vacancies to the office of scrutineer arising from each removal or any other cause.

101. a) Subject to the provisions of these presents the Chairman or the Managing Director shall have power to regulate the manner in which a poll shall be taken.

b) The result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.

102. The Directors shall cause minutes of all General Meetings to be kept in the manner prescribed by Section 193 of the Act in a book provided for the purpose.

VOTES OF MEMBERS

103. Every member of the Company holding any Equity Shares shall have a right to vote in respect of such shares on every resolution placed before the Meeting. On a show of hands, every such member present in person shall have one vote and every person present either as a proxy, if he is not entitled to vote in his on right, or as a duly authorised representative of a body corporate, shall have one vote.

104. On a poll, every such member whether in person or by proxy shall have one vote for each share of which he is the holder.

105. Where a Company or a body corporate (hereinafter called "Member Company") is a member of the Company, a person duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member company at a meeting of the Company shall not, by reason of such appointment be deemed to be a proxy, and the lodging with the Company at the office or production at the meeting of a copy of such resolution duly signed by an officer duly authorised of such member company and certified by him as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the member company which he represents, as that member company could exercise if it were an individual member.

Provided that no member company shall, vote by proxy so long as a resolution of its Board of Directors under provision of Section 187 of the Act is in force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.

106. 1) Any objection as to the admission or rejection of a vote, either on show of hands or on a poll made in due time, shall be referred to the Chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.

2) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

107. On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be need not, if he votes, use all his votes or caste in the same way all the votes he uses.

108. Any person entitled under the transmission Article to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be at which he proposed to vote, he shall satisfy the Board of his right to transfer such shares unless the Board shall have previously admitted his right to vote at any such meeting in respect thereof. If any member be a lunatic, idiot or non compos mentis, he may vote whether on show of hands or at a poll by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.

109. Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereat: and if more than one of such joint holders be present at any meeting either personally or by proxy, that one of said persons so present whose name stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purpose of this Article be deemed joint holders thereof.

110. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or the sums presently payable by his have not been paid or in regard to which the Company has, and has exercised, any right of lien.

111. On a poll, votes may be given either personally or by proxy, or in the case of the body corporate by a representative duly authorised as aforesaid.

112. 1) Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person whether a member or not, as his proxy to attend and vote instead of himself. Every notice convening a Meeting of the Company shall state this.

2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his Attorney duly authorised in writing or if such appointor is a body corporate by under its common seal or the hand of its office or Attorney duly authorised.

PROVIDED further that the proxy so appointed shall have no right to speak at the meeting; however, the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding poll.

113. An instrument of proxy may appoint a proxy either for the purpose of a particular Meeting specified in the instrument and any adjournment thereof (called ‘Special Proxy’) or it may appoint a proxy for the purpose of every Meeting of the Company, or of every Meeting to be held before date specified in the instrument and every adjournment of any such Meeting (called ‘Special Proxy’).

114. 1) The instrument appointing a proxy and the power of Attorney or other authority (if any) under which it is signed, or a notorially certified copy of that power or authority shall be deposited at the office not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.

2) A proxy appointed for any meeting shall also ensure and be valid for every adjournment of postponement thereof or to the taking of poll in relation to every such meeting. A member shall be entitled if he so desires to issue a proxy for adjourned Meeting or postponed Meeting or with regard to taking up polls in accordance with the clause mentioned above.

3) Every member entitled to vote at a Meeting of the Company or any resolution to be moved thereat shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the Meeting and ending with conclusion of the Meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days notice in writing of the intention so to inspect is given by the Company.

4) Notwithstanding any of the provisions of these Articles the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

5) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time.

115. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or the revocation of the instrument, or the transfer of the share in respect of which the vote is give, provided that no intimation in writing of the death, insanity revocation or transfer before the commencement of the meeting or adjourned meeting at which the proxy is used is received by the Company. Provided nevertheless that the Chairman of discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

116. Every instrument appointing a proxy whether for a specified Meeting or otherwise, shall be retained by the Company shaft be in either of the forms specified in Schedule IX to the Act or a form as near thereto as circumstances will admit.

117. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

DIRECTORS

118. The first Directors of the Company shall be;

1. S Sivaramakrishnan
2. R Durgadoss
3. S Usha
4. R Girija

119. Subject to Sections 252 and 259 of the Act, the number of Directors shall be not less than three and not more than twelve.

120. Subject to the provisions of the Section 258 and 259 of the Act, the Company in General Meeting may, by ordinary Resolution, increase or reduce the number of its Directors from time to lime within the limits fixed in that behalf by these presents.

121. The Directors shall have power at any time and from time to time to appoint any person, other than a person who has been removed from the Office, of a Director of the Company under Article 141 as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed, but any Director so appointed shall hold office only until the next following Annual General Meeting of the Company and shall then be eligible for re-election. The Directors of the Company shall not be required to hold any qualification shares.

122. The fee payable to a Director of the Company (excluding Managing and whole time Directors) for attending a Meeting of the Board or Committed thereof shall be decided by The Board of Directors from time to time within the maximum limits of such fee that may be prescribed under the provision to Section 310 of the Companies Act 1956.

Every Directors of the Company shall be entitled to be paid the actual travelling and other expenses incurred by him for attending such Meeting.

123. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from Chennai for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board, then the Board shall reimburse him with the actual expenses incurred by him on behalf of the Company and the Board may, subject to the provisions of the Act and with such sanction

or approval as may be necessary in respect thereof, remunerate the Director either by a fixed sum and / or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may been titled.

124. The continuing Directors may act notwithstanding any vacancy in their body tout so that if the number falls below the minimum above fixed, the Board shall not, except for the purpose of filling vacancies act so long as the number is below the minimum.

125. The office of a Director shall become vacant ipso facto on the happening of any of the events specified in Section 283 of the Act.

126. No Director or other person referred to in Section 314 of the Act shall hold an office or place or profit save as permitted by that Section.

127. A. Director of the Company may be or become a Director of any other Company promoted by this Company or in which it may be interested as a member, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company.

128. Subject to the provision of Section 297 of the Act, a Director shall not be disqualified from contracting with the Company either as vendor purchaser or otherwise for goods, material or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract of arrangement entered into by or on behalf of the Company with a relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private Company of which such Director is a member or Director, be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised-by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established.

129. Every Director shall comply with the provisions of Section 299 of the Act in regard to disclosure of his concern or interest in any contract or arrangement entered into or to be entered into by the Company. Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

130. Save as permitted Section 300 of the Act or any other applicable provision of the Act, no Director shall, as a Director, take any part in the discussion of, or vote on, any contractor, arrangement in which he is in any way, whether directly or indirectly, concerned or interested, nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote.

131. The Board of Directors may when any Director (in this Article called the “Original Director”) has left or is about to leave the state of Tamilnadu for not less than three months appoint any person to be an Alternate Director during the absence of the Original Director and such appointment shall have effect and such appointee, whilst he holds office as Alternate Director, shall be entitled to notice of Meetings of Director and to attend and vote thereat accordingly’ but he shall ipso facto vacate office if and when the Original Director vacates-office as a Director or returns to the state of Tamilnadu.

132. Any casual vacancy occurring among the Directors may be filled up by the Directors either at a Meeting of the Board or by a resolution passed by circulation, but any person so chosen shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred.

PROVIDED that the Directors may not fill a casual vacancy by appointing any person who has been removed from the office of a Director of the Company-under Section 284 of the Act.

ROTATION OF DIRECTORS

133. At the Annual General Meeting of the Company in every year, one-third of the Directors who are liable to retire by rotation for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. Provided nevertheless that the Managing Director or Whole time Director, appointed or the Directors appointed as a Debenture Director and Special Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

134. A retiring Director shall be eligible for re-election and the Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacancy by appointing the retiring Director or some other person thereto. A retiring Director shall retain office until the dissolution of the Meeting at which his successor elected.

135. The Directors to retire in every year shall be those who have been longest in office since their last election; but as between persons who became directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

136. If at any General Meeting at which an election of Directors ought to take place, the place of any retiring Director is not filled up, and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned to the same day in the next week at the same time arid place, or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting also, the place of the retiring Director is not filled up, and the meeting also has not expressly resolved not to fill the vacancy, then the retiring Director whose place has not been so filled up shall be deemed to have been re-elected at the adjourned meeting, subject to the provisions of Section 256 of the Act.

137. Subject to the provision of Section 284 of the Act, the Company may by an ordinary resolution remove any Director before the expiration of his period of office, and by an-ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director the day on which the Director in whose place he is appointed was last elected as Director.

138. A person not being a retiring Director shall be eligible for appointment to the office of Director at any General Meeting if he or some other member intending to propose him as a Director has, not less than 14 days before the Meeting, left at the Registered Office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be, along with a deposit of five hundred Rupees which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director.

139. Subject to the provisions of Section 297, 299, 300, 302 and 314 of the Act, the Directors shall not be disqualified by reason of his or their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract, or arrangement entered into by or on behalf of the Company with such Director or with any Company or partnership in which he shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of fiduciary relation thereby established but the nature of the interest must be disclosed by him or them at the meeting of Directors at which the contract or arrangement is determined if the interest then exists or in any other case at the first meeting of the Directors after the acquisition of the interest.

PROCEEDINGS OF DIRECTORS

140. The Board shall meet at least once every three calendar months for the despatch of business in accordance with the provisions of Section 285 of the Act and may adjourn and otherwise regulate it, meetings and proceedings as it thinks fit provided that at least four such meetings shall be held every year. Notices in writing of every meeting of the Board shall be given to every Director for the time being in India and at his usual address in India to every other Director.

141. A Director may at any time, and the Manager or Secretary shall upon the request of Director made at any time, convene a meeting of the Board.

142. a) The board may appoint one of their body to be the Chairman of the Board and determine the period for which he is to hold office.

b) If no such Chairman of the Board is appointed or if at any meeting of the Board, the Chairman is not present within 15 minutes after the time appointed for holding the same, the Directors present may choose one of their member to be Chairman of that Meeting.

c) If a Director who is neither a whole-time Director nor a Managing Director is appointed a Chairman, the Board may request the said chairman to be whole-time Chairman and perform any special duties and confer on him such powers on such terms and conditions as they may deem fit.

d) The Board may from time to time with the sanction of the Company in General Meeting by special resolutions and of the Central Government where necessary fix the remuneration payable to the Chairman for performing all such duties.

e) The Chairman shall exercise all such powers and perform all such duties subject to the supervisions and direction of the Board of Directors and subject to such conditions and restriction as the Board may from time to time impose.

143. The quorum of a meeting of the Board shall be one-third of the total strength (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 is equal to or exceeds two-thirds 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 time. Total strength means the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

144. If a meeting of the Board could not be held for want for quorum, then, the Meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

145. A Meeting of the Board at which a quorum, is present shall be competent to exercise all or any of the authorities, powers and discretion's by or under these Articles or the Act for the time being vested in or exercisable by the Board.

146. Subject to provisions of Section 316, 372 and 386 of the Act, the questions arising at any meeting shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.

147. The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to a committee consisting of such Director of Directors as it thinks fit, and may from time to time, revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

148. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the last preceding Article.

149. Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles, provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

150. Save in those cases where a resolutions is required by Sections 292, 297, 316, 372(5) and 386 of the Act to be passed at a Meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a Meeting of the Board or Committee of the Board as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors or to all the member of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members of the Committee at their usual addresses in India, and has been approved by such of them as are then in India or by a majority of such of them as are entitled to vote on the resolution.

151. 1) The Company shall cause minutes of all proceedings of every Meeting of the Board and of every Committee of the Board to be kept by making within thirty days of the conclusion of every such Meeting, entries thereof in book kept for that purpose with their pages consecutively numbered.

2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the said Meeting or the Chairman of the next succeeding Meeting.

3) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.

4) The minutes of each Meeting shall contain a fair and correct summary of the proceeding thereat.

5) All appointments of officers made at any Meetings shall be included in the minutes of the Meetings.

6) The minutes shall also contain:

a) the names of the Directors present at the Meeting, and

b) in the case of each resolution passed at the Meeting, the names of the Directors, if any dissenting from or not concurring with the resolution.

7) I. Nothing contained in sub-classes (1) to (6) shall deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the Meeting,

a) is or could reasonably be regarded as defamatory of any person:

b) is irrelevant or immaterial to the proceedings: or

c) is detrimental to the interests of the Company.

II. The Chairman shall exercise an absolute discretion in regard to the inclusion or nor-inclusion of any matter in the minutes on the grounds specified in the sub-clause.

8) Minutes of Meeting kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

POWER OF DIRECTORS

152. A. The general control and management of the business of the Company shall be vested in the Directors, who in addition to the powers and authorities by these presents or otherwise expressly conferred upon them may exercise all such powers and do all such acts and things as may be exercised .or done by the Company and are not by these presents or by statutes directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of the statutes and of these presents and to such regulations and directors not being inconsistent with such provisions as may from time to time be made or given by a General Meeting. PROVIDED that no regulations so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

B. Without prejudice in the general powers conferred by the above sub-clause but subject as aforesaid they may:

a) Pay the costs, charges and expenses preliminary and incidental to the promotion of the Company.

b) Purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.

c) To open any account or accounts with such banks as they may select or appoint and to make, draw, accept endorse, sign, discount, negotiate and discharge on behalf of the Company, all cheques, bills of exchange, bills of lading, letters of credit, promissory notes, drafts, railway receipts, dock warrants, delivery orders, Government promissory notes and other negotiable instruments required for the business of the Company.

d) Pay for any property, rights or privileges acquired by, or services rendered to the Company wholly or partially in cash, shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon -and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company.

e) Secure the fulfilment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being (if any) or in such other manner as they may think fit,

f) Appoint, and at their discretion, remove or suspend such Agents, Managers, Officers, Clerks, Engineers, Electricians, Mechanics and other experts, servants, workmen for permanent, temporary or special services and determine their powers and duties and fix their salaries or emoluments, and require security in such instances and lo such amount as they think fit.

g) Institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also but subject to the provisions of Section 293 and 295 of the Act, to compound and allow time for payment or satisfaction of any debt due to and of any claims or demands by or against the Company.

h) Refer any claims or demands by or against the Company to arbitration and perform the awards.

i) Make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.

j) From time to time provide for the conduct of the affairs of the Company in different parts of India or outside India in such manner as they think fit, and In particular to establish branch offices and appoint any person to be the Attorneys or Agents of the Company with such powers (including power to sub- delegate) and upon such terms as may be thought fit.

k) To invest and deal with any of the moneys of the Company not immediately required for the purpose thereof upon such securities (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments.

l) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personaliability for the benefit of the Company such mortgages of the Company’s property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall agreed on.

m) Enter into all such negotiations and contracts and vary all such contract and execute and do all such acts, deeds and thinks in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

n) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.

o) To establish, maintain, support and subscribe to any national, charitable, benevolent, general or useful object or fund, and any institution, society or club which may be for the benefit of the Company or its employees or which in the opinion of the Directors is calculated to promote the Interests of the Company.

153. The Directors may from time to time by power of attorney under the Seal or by a resolution appoint any person or persons to be the attorney or attorneys of the Company in India or elsewhere for such purposes and with such powers authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as they may from time to time think fit, and any such appointment may (if they think fit) be made in favour of any Company or of the Members. Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body or persons, whether nominated directly or Indirectly by the Directors, and any such power of attorney or any resolution may contain such provisions for the protection or convenience of persons dealing with such attorney or attorneys as the Directors think fit.

154. Any such delegate or attorney as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretion for the time being vested in him.

155. a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:

(i) Power to make calls on shareholders in respect of moneys unpaid on their shares;

(ii) Power to authorize the buy back referred to in the first proviso to clause (b) of sub- section (2) of Section 77A

(iii) Power to issue debentures;

(iv) Power to borrow money otherwise than on debentures:

(v) Power to invest the funds of the Company;

(vi) Power to make loans.

b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount upto which moneys may be borrowed by the said delegate.

d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, upto which the fund may invested and the nature of the investments which may be made by the delegate.

e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount upto which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

MANAGING DIRECTOR

156. a) Subject to the provisions of Sections 197A, 198, 269 and 310 of the Act, the following provisions shall apply.

b) The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as they may deem fit. subject to such approval of the Central Government as may be necessary in that behalf.

c) The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.

d) If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any resolution of the Board and they shall exercise, all those powers and perform their duties subject to the directions, supervision and control of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.

e) The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designations as they deem fit.

f) A Managing Director shall not, whilst he continues to hold that office, be subject to retirement by rotation, and he shall not be taken into account in determining the retirement of Directors by rotation, but he shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors of the company. He shall, ipso facto and immediately, cease to be Managing Director if he ceased to hold the office of Director from any cause.

g) Subject to the supervision, control and directions of the Board of Directors, the Managing Director / Managing Directors shall have the management of the whole of the business of the company and of all its affairs and shall exercise all powers and perform all duties in relation to the management of the affairs, except such powers and such duties as are required by law or by these except these presents to be exercised by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors.

Without prejudice to the generality of the foregoing, the Managing Director / Managing Directors shall exercise all the powers set out in Article 137 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.

157. a) Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of their body, as Whole-time Director or Whole-time Directors on such designation and on such terms and conditions as they may deem fit. The Whole-time Directors shall perform such duties and exercise all such powers as the Board may from time to time, determine and they shall exercise all such powers and perform ail such duties subject to the-control, supervision and directions of the Board and subject to the supervision and direction of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting subject to the approval of the Central Government, if any, required in that behalf.

b) A Whole-time Director (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected a director at that Meeting.

158. The Board shall from time to time appoint, and may at their discretion remove, any person with prescribed qualifications (hereinafter called “The Secretary”) to perform any functions which by the Act or by these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to the Secretary by the Board and the Managing Director. The Board may also at any time appoint some suitable person as Assistant Secretary to perform such duties as may be assigned to him from time to time.

SEAL

159. a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safety 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) Every deed or other instrument to which the Seal of the Company is required to be affixed shall, unless the same is executed by a dully constituted attorney of the Company, be signed by two Directors or by one Director and the Secretary or such other persons as the Directors may for the purpose appoint in whose presents the Seal shall have been affixed. Provided that in respect of share certificates, the seal shall be affixed in accordance with the Companies (issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof.

RESERVES

160. The Board may from time to time before recommending any dividend, set part any and such portion of the profits of the company as it thinks fit as Reserves subject to Section 205(2A) of Act to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends, for repairing, improving or maintaining any of the properties of the Company and for such other purposes of the Company as the Board In its absolute discretion thinks conducive to the interest of the Company, and may, invest and several sums to set aside upon such investments (other than shares of the Company) as It may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the Reserves into such special funds as it thinks fit, with full power to employ the Reserves or any part thereof in the business of the Company and without being bound to keep the same separate from other assets.

161. All moneys carried to the Reserves shall nevertheless remain and be profits of the Company applicable, subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all other moneys of the Company not immediately required for the purposes of the Company, may, subject to the provisions of Sections 370 and 372 of the Act, be placed on loan or invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any bank on deposit or otherwise as the Board may, from time to time, think proper.

162. 1) The Company in General Meeting may, upon the recommendation of the Board, resolve

a) that its desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserves accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

b) that such sum be accordingly set free for distribution in the manner specified in Clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in Clause (3), either in or towards

I. Paying up any amounts for the time being unpaid on any shares held by such members respectively:

II. Paying up in full, unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid-up to and amongst such members in the proportions aforesaid: or

III. Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

3) A share premium account and a capital redemption reserve account may for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

163. 1) Whenever such a resolutions aforesaid shall have been passed, the Board shall;

a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue of fully paid shares or debentures, if any, and

b) generally do all acts and things required to give effect thereto.

2) The Board shall have full powers:

a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable infractions and also.

b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts, or any part of the amounts remaining unpaid on their existing shares.

3) Any agreement made under such authority shall be effective and binding on all such member.

164. The Company in General Meeting may at any time and from time to time resolve that any surplus moneys in the hands of the Company representing capital profits arising from the receipt of moneys received or recovered in respect of or arising from the realisation of any capital assets of the Company or any investment representing the same instead of being applied in the purchase of other Capital assets or for other Capital purposes be distributed amongst the Equity Shareholders on the footing that they receive the same as capital and in the shares and proportions in which they would have been entitled to receive the same if it had been distributed by way of dividend, provided always that no such profit as aforesaid shall be so distributed unless there shall remain in the hands of the Company a sufficiency of other assets to meet in full the whole of the liabilities and paid-up shares capital of the Company for the time being. For the purpose of giving effect to any resolution under this Article, the Board shall have full power to settle any difficulty which may arise in regard to the distribution as it thinks expedient.

DIVIDENDS

165. 1) Subject to the rights of persons if any, entitled to shares with special rights as to dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this regulation as paid on the share.

3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividends is paid: but if any shares is issued on terms providing that it shall rank for dividend as from a particular date such share rank for dividend accordingly.

166. Where capital is paid up on any share in advance of calls, upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to participate in profits.

167. The Company is General Meeting may declare a Dividend to be paid to the members according to their rights and interest in the profits subject to the provisions of the Act.

168. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

169. Subject to the provisions of Section 205 of the Act, no dividend shall be payable except out of the profits of the Company or out of the moneys provided by the central or a state government for the payment of he dividend in pursuance of any guarantee given by such government and no dividend shall carry interest against the company.

170. The declaration of Board as to the amount of the net profits of the Company shall be conclusive.

171. The Board, may, from time to time, pay to the holder of Equity Shares such interim dividends as appear to the Board to be justified by the profits of the Company.

172. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due owing from him to the Company in respect of such share or shares either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any Member all sums of moneys so due from him to the Company.

173. Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call shall be made payable at the same time as the dividend and the dividend may be set off against the call.

174. No dividend shall be payable except in cash; provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on the shares held by them members of the Company.

175. A transfer of shares shall not pass the rights or any dividend declared thereon before the registration of the transfer by the Company.

176. The Company may be interest on Capital raised for the construction of works or buildings when and so far as it shall be authorised to do by Section 208 of the Act.

177. No dividend shall be paid in respect of any share except to the registered holder of such share or to his order or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend.

Nothing in this Article shall be deemed to affect in any manner the operation of Article 158 hereof.

178. (a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called “Unpaid Dividend of Consolidated Construction Consortium Limited” and transfer to the said account the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to Investors Education and Protection Fund.

(c) No unclaimed or unpaid dividend shall be forfeited by the Board and the Directors shall comply with provisions of Sections 205A and 205B of the Act, as regards unclaimed dividends.

BOOKS AND DOCUMENTS

179. (a) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.

(b) If the Company shall have a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarized returns made upto date at intervals of not more than three months, shall be sent by Branch Office to the Company at its registered office or to such other place in India, as the Board thinks fit where the main books of the Company are kept.

(c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its transactions.

180. The Books of account shall be kept at the Registered Office of the Company or such other place in India as the Board may decide and when the Board so decides, the Company shall, within seven days of the decision, file with the Register a notice in writing giving the full address of that other place.

181. 1) The books of accounts shall be open to inspection by any Director during business hours.

2) The Board shall, from time to time, determine whether and to what extent and at what times and places, and under what conditions or regulations, the books of account and books and any documents of the Company other than Minute Books relating to Board Meetings and General Meetings shall be open to the inspection of the member not being Directors and no member (not being a Director) shall have any right or inspecting any books of account or books or documents of the Company except as conferred by taw or authorised by the Board or by the Company in General Meeting.

BALANCE SHEET AND ACCOUNT

182. At every Annual General Meeting the Board shall lay before the Company, a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 210 of the Act and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Section 210, 211, 212, 215 and 216 and of Schedule VI to the Act so far as they are applicable to the Company, but save as aforesaid, the Board shall not bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.

183. There shall be attached to every Balance Sheet laid before the Company in General Meeting a report by the Board complying with Section 217 of the Act.

184. A copy of every Balance Sheet (including the Profit and Loss Account, the Auditors Report and every document required by law to be annexed or attached to the Balance Sheet) shall, as provided by Section 219 of the Act, not less than twenty-one days before the Meeting, be sent to every member, debenture holder, trustee for debenture holders and other persons to whom the same is required to be sent by the said Section.

185. The Company shall comply with Section 220 of the Act as to filing with the Register, copies of the Balance Sheet and Profit and Loss Account and documents required to be annexed or attached thereto.

186. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive except as regards any error discovered therein within three months next after the adoption thereof whenever any such error is discovered within that period the accounts shall forthwith be corrected and henceforth shall be conclusive.

AUDIT

187. Once at least in every year the books of account of the Company shall be examined by one or more Auditor or Auditors.

   a. The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days.

   b. Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy.

   c. The Company shall within seven days of the Central Government's power under sub clause (c.) becoming exercisable, give notice of that fact to the Government.

   d. The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

   e. A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Sec. 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with provisions of Sec. 190 and all the other provision of Section 225 shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

   f. The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

   g. None of the persons mentioned in Sec. 226 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

   h. The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

   i. The remuneration of the Auditors shall be fixed by the Board as authorized in General Meeting from time to time.

   j. A document may be served on the Company or an officer by sending it to the Company or officer at Registered Office of the Company by post under a certificate of posting or by Registered Post, or by leaving it at the Registered Office.

NOTICE TO MEMBERS

188. 1) A notice or other document may be given by the Company to any member either personally or by sending it by post to him to his registered address of (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.

2) Where a notice or other documents is sent by post

a) Service thereof shall deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document provided that where member has intimated to the Company in advance that notices or documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and had deposited with the Company a sufficient sum to defray the expenses of doing so, service of the notice or document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

b) Such service shall be deemed to have been effected

I. in case of a notice of meeting at the expiration of forty-eight hours after the letter containing the same is posted, and

II. in any other case, at the time at which the letter would be delivered in the ordinary course of post.

189. A notice or other document advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for giving notices to him. Any member who has no registered address in India shall, if so required to do by the Company, supply the Company with an address in India for giving notices to him.

190. A notice or other document may be served by the company on the joint holder of a share by giving the notice to the joint holder named first in the Register in respect of the share.

191. A notice or other documents may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of the representatives of the deceased, or assignee of the insolvent or by any like description at the address in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving to the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

192. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

193. Subject to the provisions of these Articles, any notice or document delivered or sent by post to or left at the register address of any member in pursuance of these Articles shall, nor withstanding such member be than deceased and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other persons be registered in his stead as the holder or joint holders thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or documents on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such share.

194. Subject to the provision of Section 497 and 509 Act, in the event of a winding up of the Company, every member of the Company who is not for the time being in Chennai shall be bound, within eight weeks after the passing of and effecting resolution to wind up the Company voluntarily or the making of an order for the winding up of the Company to service notice in writing on the Company appointing some householder residing in the neighbourhood of the office upon whom all summonses, notices, process, order and judgements in relation to or under the winding up of the Company may be served, and in default of such nomination, the Liquidator of the Company shall be at liberty, on behalf of such member, to appoint some such person, and service upon any such appointee whether appointed by the member or the Liquidator shall be deemed to be good personal service on such member by advertisement in some daily newspaper circulating in the neighbourhood of the office or by a registered letter sent by post and addressed to such member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears

or the letter would be delivered in the ordinary course of posts. The provisions of this Article shall not prejudice the right of the Liquidator of the Company to serve any notice or other document in any order manner prescribed by these Articles.

AUTHENTICATION OF DOCUMENTS

195. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, Managing Director or any authorised officer of the company and need not be under its Seal.

KEEPING OF REGISTERS AND INSPECTION

196. The Company shall duly keep and maintain at the office Registers in accordance with Section 49(7), 143, 150, 151, 152(2), 301, 303, 307, 370 and 372 of the Act and Rule 7(2) of the Companies (issue of Share Certificates) Rules 1960.

197. The Company shall comply with the provisions of Sections 39, 118, 163, 169, 219, 301, 302, 303, 304, 307, 362, 370 and 372 of the Act as to the supplying of the copies of the Registers, deeds, documents, instruments, returns, certificates and books therein mentioned to the persons therein specified when so required by such persons, on payment of the charges, if any prescribed by the said Sections.

RECONSTRUCTION

198. On any sale of the undertaking of the Company, the Board or the Liquidators on a winding up, if authorised by Special resolution, accept fully paid up shares, debentures or securities of any other Company whether incorporated in India or not, either them, existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profits of the Company permit) or the Liquidators (in a winding up) may distribute such shares or securities or any other property of Company amongst the members without realisation, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares, shall be bound to accept, and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 494 of he Act as are incapable of being varied or excluded by the Article.

SECRECY

199. Every Director, Manager, Secretary, Trustee, for the Company, its member or debenture holder, members of a Committee, officer, servant agent, accountant, or other person employed in or about the business of the Company shall if so required by the Board or by the Managing Director before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board by any General Meeting or by a court of Law and except so far as may be necessary in order to company with any of the provisions in these Articles contained.

200. No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or of the Managing Director or subject to this Article to require discovery of or any information respecting any detail of the trading of the Company or any matter which is or may be in nature of a trade secret, mystery of trade, or secret process, or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board or Managing Director it will be inexpedient in the interest of the Company to communicate.

WINDING UP

201. If the Company shall be wound up and the assets available for distribution among the members are such as shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought or have been paid up at the commencement of the winding-up the assets avail for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst

the members in proportion to the capital at the commencement of the winding up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

202. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, within the sanction of a Special Resolution, divide among the contributories, in specie or kind, any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, or any of them as the liquidators, with the like sanction, shall think fit.

INDEMNITY

203. 1) Subject to the provision of Section 201 of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Managing Director, Manager. Secretary, Officer or employee may incur or become liable to by reason of any contract entered into or deed done by him or in any other way in the discharge of his duties, as such Managing Director, Director, Manager, Secretary, Officer or employee.

2) The Company shall pay and bear all fees and other expenses necessary for filing any document or return with the Register of Companies which may be required to be filed under the Act, including additional fee or extra expenses or costs incurred by default in filing any such return.

3) Subject as aforesaid the Managing Director and every Director, Manager, Secretary, or other Officer or employee of the Company and any person appointed as Auditors shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgement is given in their or his favour or in which they or he is acquitted or discharges or in connection with any application under Section 633 in which relief is given to them or him by the court.

OVERRIDING EFFECT AND INTERPRETATION

Unless the context otherwise requires, words or expressions contained in Articles 208 to 218 shall have the meanings as provided below. Provided that any terms and expressions used but not defined specifically in Articles 208 to 218 shall have the same meaning as ascribed to them in the Act or any statutory modification thereof or in the Investment agreement entered into with Investors. Other terms may be defined elsewhere in the text of these Articles and, unless otherwise indicated, shall have such meaning throughout these Articles.

“Business Day” shall mean a day on which scheduled commercial banks are open for business in Chennai, India;

“Company Change of Control Offer” shall have the meaning as set out in Article 215;

“Equity Percentage” means, in relation to each Shareholder, the fraction expressed as a percentage, (a) the numerator of which is the amount of Shares held by such Shareholder; and (b) the denominator of which is the total number of issued and outstanding Shares

“Evolvence” shall mean EIF Co-Invest III, a company incorporated under the laws of Mauritius and having its registered office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius.

“Investor” shall mean each of UTI IAS and Evolvence, and “Investors” shall mean UTI IAS and Evolvence collectively;

“MIS” shall mean the monthly information statement to be provided by the Company to the Investors under Article 212(d) in the format agreed to in writing between the Company, Promoter Group, Selling Shareholders and the Company;

“Notice of Offer” shall have the meaning as set out in Article 215;

“Transfer” (including with correlative meaning, the terms “Transferred by” and “Transferability”) shall mean to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of law or in any other way subject to any encumbrance or dispose of, whether or not voluntarily;

“UTI IAS” shall mean Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund, having its registered office at UTI Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051, the appointed Trustees of UVF Private Equity Trust, a trust established under the Indian Trusts Act, 1882 and registered with the Securities and Exchange Board of India as a Venture Capital Fund.

BOARD COMPOSITION OF THE COMPANY

204. In the event that the Company gets listed on a recognized stock exchange and the Equity Percentage of the Investors collectively is not less than 10%, the Investors shall have the right to appoint 1 (one) Director on the Board.

AFFIRMATIVE RIGHT MATTERS IN THE COMPANY

205. Upon the company getting listed on any recognised stock exchange, unanimous consent of all Director on the Board shall be required only in respect of the following matters when considered for approval by the Board.

206. The liquidation or dissolution of the company and Any action that authorizes, creates or issues shares of nay class of stock having preference or terms superior to Equity shares of the investors.

TRANSFER OF SHARES

TRANSFER BY THE PROMOTER GROUP AND THE SELLING SHAREHOLDERS

Until 12 (twelve) months from the completion of an IPO and listing of the Shares of the Company, the Promoter Group and/or the Selling Shareholders shall not, directly or indirectly, Transfer all or any of the Shares held by them in the Company to any Person without the express prior written consent of the Investors. Any Transfer in breach of these Articles, including this Article, shall be null and void, and shall not be binding on the Company. Provided that after the Company has completed an IPO, the Promoter Group and any of their Affiliates jointly shall maintain their shareholding in the Company as per requirements of the SEBI and any other applicable Laws.

INFORMATION RIGHTS

207. The Company shall (in relation to the Company and the Subsidiaries), furnish, to the Investors, the following information (unless such information has been provided to the Board):

(a) Quarterly, semi-annual and annual unaudited financial statements within 30 (thirty) days of the end of each quarter, half-year and annual period;

(b) The audited annual financial statements within 45 (forty five) days of the end of each Financial Year;

(c) Financial statements should be accompanied by a report from the Chief Executive Officer of the Company and a discussion of key issues and variances to the budget and to the previous period;

(d) MIS information / reports (in agreed format) within 30 (thirty) days of the end of each month; Provided that any changes or amendments to the form of the MIS shall be mutually agreed between the Investors and the Promoter Group.

208. The prior written approval of the Board shall be obtained on an annual basis of the following budgets (approval to be completed prior to the commencement of the Financial Year to which the budget applies):

(a) Estimated sources and applications of funds;

(b) Estimated profit and loss account;

(c) Estimated Balance sheet; and

(d) Detailed assumptions underlining the forecasts for the above.

209. The Investors shall also be entitled to reasonable inspection and visitation rights which shall be applicable until such time that the Company completes an IPO.

210. Upon receipt by the Company or the Promoter Group/ Selling Shareholders, from any Person, of a bona fide written offer from any bona fide acquirer to effect a Change of Control of the Company, ("**Company Change of Control Offer**"), the Company and/or the Promoter Group/ Selling Shareholders shall provide written notice to the Investors within 3 (three) Business Days of receipt by the Company, of the Company Change of Control Offer (the "**Notice of Offer**").

211. The Company shall give full access to the Investors and their authorized representatives (including lawyers, accountants, auditors and other professional advisors subject to them executing confidentiality agreements) to visit and inspect all properties, assets, corporate, financial and other records, reports, books, contracts and commitments of the Company and the Subsidiaries of the Company, and to discuss its Business, action plans, budgets and finances with the Directors and executive officers of the Company and the Subsidiaries of the Company, upon reasonable notice.

212. The Investors shall be entitled to share any information received from the Company and the Subsidiaries of the Company with an Affiliate of the Investors, provided that the Investors shall cause such Affiliate of the Investors to comply with standard confidentiality and non-disclosure provisions.

Notwithstanding anything contained in Article 214 to 217, the information rights of the investor shall be available only till the investors collectively hold atleast 10% of the shares in the company. The information rights shall automatically cease to have any effect thereafter.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the Registrar of Companies, Tamil Nadu at Chennai for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office and Corporate Office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Letters of appointment dated April 30, 2007 to the BRLMs and the CBRLM from our Company appointing them as the BRLMs and the CBRLM.
2. Memorandum of Understanding amongst our Company, and the BRLMs and the CBRLM, dated May 28, 2007.
3. Memorandum of Understanding between our Company and Registrar to the Issue, dated May 28, 2007.
4. Escrow Agreement dated September 10, 2007 between the Company, the BRLMs and the CBRLM, the Escrow Banks, and the Registrar to the Issue.
5. Syndicate Agreement dated September 10, 2007 between the Company, the BRLMs and the CBRLM and the Syndicate Member.
6. Underwriting Agreement dated [●], 2007 between the Company, the BRLMs and the CBRLM and Syndicate Member.

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.
2. Our certification of incorporation.
3. Board resolutions in relation to the Issue.
4. Shareholders' resolutions in relation to the Issue.
5. Resolutions of the general body for appointment and remuneration of our whole-time Directors.
6. Annual Reports of the Company for Fiscal 2007, 2006, 2005, 2004 and 2003.
7. Agreement with Samruddhi Holdings dated August 22, 1997, revised agreement dated March 18, 2006 and amendment letter dated August 17, 2007.
8. Non Compete Agreements with Samruddhi Holdings and Yuga Homes Limited dated May 25, 2007.
9. Memorandum of Understanding dated May 23, 2007 with Mr. M. Ramesh Kumar and Mr. A.S. Jaya Gopi.
10. Certificate from M/s. C.R. Narayan Rao dated September 5, 2007.
11. Investment agreement amongst our Company, UTI Venture Fund, Evolvence, our Promoters and certain of our Promoter Group Individuals dated March 13, 2007.
12. Auditor's report dated August 14, 2007 on Unconsolidated Summary Statements of Assets and Liabilities, Profit and Loss and Cash Flows, as restated, under Indian GAAP (including subsidiary) for the period of 5 (five) financial years ended March 31st, 2007 and Consolidated Summary Statements of Assets and Liabilities, Profit and Loss and Cash Flows, as restated for the above years.
13. Statement of Tax Benefits dated August 14, 2007.
14. Consents of Bankers to the Company, BRLMs, Co-BRLM, Registrar to the Issue, Bankers to the Issue, Legal Counsel to the Issue, Auditors, Directors of the Company, Compliance Officer, IPO Grading Agency as referred to, in their respective capacities.
15. Initial listing applications dated June 1, 2007 filed with NSE and BSE.

16. In-principle listing approval dated July 2, 2007 and June 29, 2007 from the NSE and BSE respectively.
17. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated August 22, 2007.
18. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated June 28, 2007.
19. Due diligence certificate dated May 30, 2007 to SEBI from the BRLMs and the Co-BRLM.
20. SEBI observation letter No. CFD/NB/JAK/99822/2007 dated July 31, 2007.
21. IPO Grading report dated August 6, 2007 by ICRA Limited.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, certify that all relevant provisions of the Companies Act, 1956, and the guidelines issued by the GoI or the guidelines issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or guidelines issued, as the case may be, and that all approvals and permissions required to carry on our business have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Mr. R. Sarabeswar	Sd/-
Mr. S. Sivaramakrishnan	Sd/-
Mr. V.G. Janarthanam	Sd/-
Mr. P. Venkatesh	Sd/-
Mr. K. Kannan	Sd/-
Mr. Rajakumar K.E. C	Sd/-
Mr. Rajesh S.N.	Sd/-
Mr. P.K. Sridharan	Sd/-
Dr. T.S. Vijayaraghavan	Sd/-

Sd/-
Mr. R. Sarabeswar
Chairman and Chief Executive Officer

Sd/-
Mr. T.R. Seetharaman
Chief Financial Officer

Sd/-
Mr. M.V.M. Sundar
Company Secretary and Compliance Officer

Date: September 10, 2007

Place: Chennai

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